



Daily Report

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Daily Report

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General

Dalai Lama at Rio Summit Termed 'Disruptive'

HK2705025292 Hong Kong SOUTH CHINA
MORNING POST in English 27 May 92 p 8

[By Geoffrey Crothall in Beijing]

[Text] The presence of Tibet's exiled spiritual leader, the Dalai Lama, at next week's Earth Summit in Rio will be a "disruptive and damaging" influence, the director of China's Environmental Protection Agency, Mr Qu Geping, said yesterday.

"The summit is about co-operation and dialogue to solve global environmental problems. The Dalai Lama is going to make some unharmonious noises and this will be damaging to the conference," Mr Qu, who will be the deputy head of China's ministerial delegation to the summit, said.

"The Dalai Lama wants to separate Tibet from China. This is something the Chinese Government will not tolerate. His mere presence at the summit is in itself disruptive," he added.

The Dalai Lama, who is scheduled to arrive in Rio on June 4, is expected to address the summit's Global Forum on the environmental degradation of his homeland caused by 40 years of communist rule from Beijing.

The presence of the Dalai Lama in Rio has become a major diplomatic headache for China, which insists that foreign government officials have no contact with the Tibetan leader.

Premier Mr Li Peng has been invited to attend but sources say he may decide to boycott the conference if the Dalai Lama is seen to be given too high a profile.

"There is no head or deputy head for the summit delegation at present," Mr Qu said yesterday. "A state leader will be appointed to lead the delegation but it has not yet been fully decided if premier Li Peng will go or not."

The head of the ministerial delegation will be the director of the Science and Technology Commission, Mr Song Jian, while Mr Qu will officiate at the preliminary high officers meeting from June 3 to June 8.

Should Mr Li Peng decide not to attend, it is expected that Mr Song, who is also a State Councillor will represent the Chinese Government at the final summit attended by United States President Mr George Bush, British Prime Minister Mr John Major and other world leaders.

China has lodged a protest with the Brazilian Government over the Dalai Lama's attendance and Mr Qu says he has received assurances from Brazil that it will take measures to ensure the Dalai Lama's early departure from the summit.

"They explained that he was invited by an unofficial organization and will only attend the conference for a short time", he said. "That is all we know at the moment."

According to the Office of Tibet in London, the Dalai Lama's official agency, the Dalai Lama will stay in Rio until June 11, one day before the closing session.

He will address the International Forum of Non-Governmental Organizations and the Global Forum Conference, a seminar co-sponsored by the Brazilian national parliament, as well as taking part in an inter-religious celebration organised by the World Conference on Religions and Peace.

Kim Il-song, Others Condol Nie Rongzhen's Death

OW2705014392 Beijing XINHUA Domestic Service
in Chinese 1221 GMT 26 May 92

[Text] Beijing, 26 May (XINHUA)—Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and president of the DPRK, sent condolence cables to General Secretary Jiang Zemin and President Yang Shangkun, expressing deep grief over the death of Comrade Nie Rongzhen.

The condolence cables read: "Shocked to learn that Comrade Nie Rongzhen, Chinese Communist revolutionary of the older generation and one of the founders of the Chinese People's Liberation Army [PLA], passed away because of illness. On behalf of the WPK Central Committee, the DPRK Government, the Korean people, and in my personal capacity, I hereby convey my deep condolence to you and through you the CPC Central Committee, the PRC Government, the Chinese people, and family members of the deceased.

"Involving himself in the Chinese people's revolution since his early years, Comrade Nie Rongzhen worked selflessly in leading positions in the party, state, and Army, making tremendous contributions toward socialist construction and the development and growth of the PLA.

"Although Comrade Nie Rongzhen has died, his feats will remain immortal."

Condolence letters were also received from the following: Air Marshal Shaposhnikov, commander-in-chief of the CIS Unified Armed Forces; General Berniki, acting federal secretary for national defense and chief of the General Staff of Yugoslavia; Lieutenant General Mitro, state secretary at the National Defense Ministry and chief of the General Staff of Romania; and the DPRK People's Armed Forces.

NATO To Discuss Implementation of New Strategy

OW2505122592 Beijing XINHUA in English
1112 GMT 25 May 92

[Text] Brussels, May 25 (XINHUA)—Defense ministers from NATO member countries are expected to focus their discussion on how to implement the major decisions taken last year concerning NATO's new strategy and the restructuring of forces and commands, NATO sources said today.

At a combined meeting of the Defense Planning Committee (DPC) and the Nuclear Planning Group (NPG) scheduled for May 26 and 27, defense ministers will also analyse the political and strategic changes since the last DPC meeting and will consult each other on priorities in this context for the alliance, the sources said.

The ministers are expected to study the working plan adopted at the first joint DPC/NPG meeting with their counterparts of central and Eastern Europe which took place last April, the sources added.

The creation of a "Eurocorps" and the question of peacekeeping mission in Europe will also be on the agenda of the forthcoming meeting of defense ministers.

The ministers will also evaluate progress in terms of nuclear weapons: The withdrawal of short-range nuclear forces.

Finally, in follow-up to a recent seminar, they will examine a report on the new structure of "crisis management" and the organization of exercises in a post-cold war situation, NATO sources said.

Eurogroup Stresses Defense Identity, Partnership

OW2505190692 Beijing XINHUA in English
1828 GMT 25 May 92

[Text] Brussels, May 25 (XINHUA)—Defence ministers from 12 Eurogroup states on Monday reaffirmed that an enhanced European security and defence identity combined with a strengthened transatlantic partnership involving Canada and the United States would reinforce common security.

"The alliance guarantees our security, and plays a vital role in contributing to the stability of Europe... The continuing presence of United States conventional and nuclear forces in Europe at the appropriate levels is essential for the military and political effectiveness of the alliance, and thus remains indispensable for European security," said a statement issued by Eurogroup defence ministers today after their one-day meeting.

Meanwhile, Eurogroup expressed their support for the development of the Western European Union (WEU) as the defence component of the European union and a means to strengthen the European pillar of the Atlantic alliance.

Fernando Nogueira, chairman of Eurogroup and minister of defence of Portugal, said at a press conference that the role of the Eurogroup in security field was a long process. We should strengthen the Atlantic alliance, he added.

Nogueira stressed the need for transparency and complementarity between the WEU and the alliance.

The statement concluded that "Europe is undergoing the most radical of transformations. We have the opportunity to develop a strong European security and defence identity compatible with the alliance and to build a new era of cooperation in Europe."

The Eurogroup countries excluding France and Iceland are NATO member countries. Today's meeting is aimed at harmonizing Europe's stance on defence planning and strategy in cooperation with NATO ministerial meeting to be held Tuesday and Wednesday.

XINHUA Views Arab League Chief, Libya

OW2605145692 Beijing XINHUA in English
1419 GMT 26 May 92

[News analysis by Xing Xudong: "Arab League Chief's Visit to Paris Aims To Solve Libya-West Crisis"]

[Text] Cairo, May 26 (XINHUA)—Arab League Secretary-General 'Isamat 'Abd-al-Majid's visit to Paris is aimed at helping solve the Libyan-Western crisis over the Lockerbie issue.

Before leaving Cairo Sunday, 'Abd-al-Majid said that during his visit he would meet with both French President Francois Mitterrand and his foreign minister to discuss the Libya-West crisis.

The crisis climaxed in UN sanctions against Libya in mid-April since the U.S., Britain and France accused Libya of being involved in the bombings of two U.S. and French airliners, which killed 441 people.

The three Western countries demand that Libya hand over two suspects of bombing Pan Am Flight 103 over Lockerbie, Scotland in 1988 for trial in Britain or the United States.

The Arab League chief said he would brief French officials on the Arab stand on this crisis, hoping that the efforts being made would contribute to containing the crisis.

Political analysts here consider 'Abd-al-Majid's current visit to Paris as one of special importance with regard to finding a solution to the Libya-West crisis with the emergence of some positive signs.

Foremost among them is Libya's announcement in mid-May that it is ready to implement UN Security Council Resolution 731 and renounce terrorism of all forms.

Libya said it has severed ties with all international terrorist groups, and asserted that there are no training

camps for terrorist organizations on its territory. It even invited United Nations teams to Libya for a checkup.

This Libyan announcement will certainly serve as a step toward relaxing the Libya-West tension, the analysts said.

Another sign of relaxation emerged during the visit to Cairo on May 17 by British Secretary of State Douglas Hurd who agreed that the two Libyan suspects should stand trial in Britain with the presence of Arab League observers.

Hurd told reporter that his visit to Cairo was intended to persuade Libya to implement the UN Security Council resolutions in this connection.

After Hurd's visit to Egypt, unofficial sources expected the possibility of reaching a compromise that is closer to the West's request for the two Libyan men to be handed over but ensures a fair trial to be monitored by the Arab League.

In this case it would be possible for the two Libyan suspects to be brought up for trial in Britain by a panel of lawyers representing all continents of the world including those from the Arab League.

Meanwhile, British Prime Minister John Major has also announced that his country is ready to provide all guarantees for the two Libyan defendants to have a fair trial in Britain.

A third sign is that some Libyans have called for an amendment to the Libyan law banning the handover of Libyan citizens to a foreign court, in an attempt to find a solution to the Lockerbie crisis.

Among those who have made this proposal is Ahmad Qadhdhaf-al-dam, coordinator of the Egyptian-Libyan relations.

It is known that the Libyan People's Congress is entitled to amend the law banning the handover of Libyan citizens to a foreign judicature.

Arab diplomatic sources in the Libyan capital have expected a surprise in the Libya-West crisis to happen when the General People's Congress of Libya meets on June 11.

As regards solving the Libya-West crisis, political analysts here are divided. Some are optimistic, believing that the crisis is on its way to be solved, especially after the recent Libyan announcement on terrorism.

They argued that the West's recent assurances that it does not seek to remove the Government of Libya, as well as the readiness of both Britain and the U.S. to provide adequate guarantees for the two Libyan defendants to have a fair trial when they surrender themselves to either of the two states.

They also think that some attempts are being made not to toughen the sanctions imposed against Libya by the UN Security Council.

However, there are others who think otherwise, believing that it is difficult to solve the Libya-West crisis. They pointed out that the Western states concerned would insist on having their requests met one after another despite the recent Libyan announcement.

They argued that Western sources have announced that all the proposals and solutions offered by Libya would be inadequate unless they agree to hand over the two Libyan suspects.

Article Views Current U.S.-Israeli Relations

HK2605145392 Beijing LIAOWANG in Chinese
No 14, 6 Apr 92 pp 39-40

[Article by contributing reporter Li Hongqi (2621 4767 2475): "Behind U.S.-Israeli Dispute"]

[Text] Abstract: The United States and Israel have maintained relations of strategic alliance for decades. In the past six months, the dispute over the issue of loan guarantees has given a shock to their relations. [end abstract]

Jerusalem [no date as published] (LIAOWANG)—The United States and Israel have argued over the issue of loan guarantees for nearly six months, and the deadlock has yet to be broken and is worsening. President Bush asserted on 17 March that he would veto any compromise scheme running counter to U.S. foreign policy. There was a public outcry in Israel, lamenting that U.S.-Israeli relations today are no match for those of the past.

The origin of the dispute is very simple. In September last year, Israel asked for loan guarantees of \$10 billion to be offered by the United States over five years so that it could raise funds to absorb a large number of Jewish immigrants. This request would not have caused any problem in the past, since the United States has given \$77 billion of aid to Israel since the 1970's. Now, however, Israel's request for loan guarantees is unexpectedly turned down by the United States. In the final analysis, what is happening between the United States and Israel?

As everyone knows, the United States and Israel have maintained relations of strategic alliance for dozens of years. Israel has all along been the biggest recipient of U.S. aid, and every Israeli has received an average of \$15,000 to \$20,000 of aid in the past 30 years. The amount of economic and military assistance received by Israel is so huge that other countries can hardly match it. Being encircled by Arab countries, Israel was labeled as a U.S. "unsinkable aircraft carrier" when the two superpowers were rivals in the Middle East. However, the

recent great tide of change in the global political pattern has also given quite a large shock to U.S.-Israeli relations.

The loan guarantee dispute alone can illustrate the issue. The absorption of Jewish immigrants has been regarded as Israel's basic national policy since it was founded. However, the Soviet Union relaxed restrictions on the emigration of Jews in 1989, and as a consequence more than 300,000 Soviet and East European immigrants have poured into Israel, dealing a huge blow to the Israeli economy, which was already very weak. Israel's unemployment rate last year was up to 11 percent, an increase of 22 percent over the previous year; its inflation rate also rose from 17.6 percent in 1990 to 22-23 percent last year. Under such circumstances, Israel still wanted to keep the door open to Jewish immigrants while striving to avert a further slump. Hence, it asked the United States to offer loan guarantees so that it could raise much-needed funds on the international financial market.

The United States did not bluntly reject the request, but put forward a prerequisite: Jewish settlement in the occupied territories must be completely suspended. Israel's right-wing government was infuriated, saying the U.S. move was a "flagrant intervention" in Israel's internal policies. Israel's ambassador to the United States met Secretary of State Baker three times to state the advantages and disadvantages involved in the loan guarantee issue, but without result. Pro-Israel U.S. congressmen racked their brains to strive to find a compromise scheme which could be accepted by both parties. However, the President disapproved the scheme when it was submitted to his office recently, asserting that he would exercise his veto.

According to President Bush, he will veto any compromise scheme "running counter to U.S. foreign policy." If so, then what is U.S. Middle East policy?

Early last year following the Gulf war, the U.S. position in the Middle East was enormously strengthened. Meanwhile, the Soviet Union was disintegrating and its influence on Middle East countries was sharply diminished. In fact, the United States lost its rival, Israel's former unique position immediately declined, and the traditional U.S.-Israeli strategic relations began to pale into insignificance. Facing this new pattern, the United States wanted to use its influence to strive to bring about a peaceful dialogue between the Arab countries and Israel. Last year, Secretary of State Baker made nine Middle East shuttle trips to make strenuous efforts to finally bring about the Madrid Middle East peace conference.

In the end, the settlement of the Middle East issue had a "good beginning," but it has not progressed well. Four rounds of bilateral talks have been held so far, but there is no breakthrough in substantial matters. Israel refuses to make any territorial concessions, and opposes the setting up of a Palestinian state. While the peace conference was held, Israel still intensified its efforts to build

Jewish settlements in the occupied territories, striving to present a fait accompli to fulfill its aim of permanently occupying the West Bank of the River Jordan and the Gaza Strip. Arab countries resented this, urging the United States to exert pressure on Israel. To show consideration for Arab feelings and ensure continuity of the Middle East peace conference, the United States urged Israel to suspend Jewish settlement in the occupied territories, otherwise loan guarantees would not be offered. It appears that some important changes have taken place in terms of the U.S. stand on the Middle East issue, even though these changes are merely preliminary and limited at present.

The decline of Israel's strategic position is not the sole reason for the United States to readjust its Middle East policy. Changes in American sentiments also count. Pro-Israel Jewish circles in the United States are rich in financial resources and always exert a decisive influence on U.S. politics. With regard to Arab-Israeli conflicts over past decades, the U.S. media almost unanimously stood by Israel, and U.S. aid to Israel never halted. However, the situation has obviously changed since 1992. Early this year, a U.S. Jewish delegation visited Saudi Arabia and Jordan for the first time to comprehend their stands on the Middle East issue. Then the delegation went to Israel to admonish Israeli leaders to accept peace and to make concessions in territorial affairs, but these requests were rejected by Israel. Israel's uncompromising stand impelled the U.S. media to turn to support the Arab countries. Some Jews in the United States began to criticize the Shamir government's "incorrigible stubbornness." According to U.S. opinion polls on the issue of loan guarantees, a majority of respondents are in favor of the view that the Bush administration should exert pressure on Israel.

Meanwhile, these changes are related to the slump faced by the United States. Some reports have declared that Americans are increasingly disgusted with offering aid to foreign countries, including Israel. They hold that Israel cannot always live off others' "alms." Israelis also understand that they can no longer rely on American Jews to protect their country.

As far as the U.S. uncompromising stand is concerned, Israeli leaders have underestimated the United States, or even made a wrong judgment at the outset. With regard to loan guarantees, Israeli Prime Minister Shamir had been optimistic all along, holding that Bush would ultimately bow to pressure from American Jews. However, the result was contrary to Shamir's expectation. Being disappointed and indignant at the United States, the Shamir government urged Israelis to prepare for a hard life, bankers proposed amending the state budget, and Finance Minister Modai had to admit that the curtailment of public expenditure would be inevitable.

The United States also accused Israel of unlawfully selling U.S. missile technology to other countries while the issue of loan guarantees was yet to be settled. It creates this impression: The White House intends to help

the Labor Party replace Likud and assume power, enabling Israel to take a more flexible stand on the Middle East issue.

This year, general elections will be held in both the United States and Israel, and the development of U.S.-Israeli relations will be determined by the election results. Public opinion generally holds that no matter who is in power, the two countries will never break off their existing extensive cooperation, and it seems unlikely that bilateral relations will drop to a very low level soon, even though they will continue to quarrel with each other. However, rifts between them have emerged, clashes of policies and of interests have become clear. "The honeymoon is over, but it is too early to speak of divorce"—maybe this is the current picture in U.S.-Israeli relations.

United States & Canada

'Dissident' Writer Appeals To Go to U.S.

OW2605142992 Tokyo KYODO in English
1414 GMT 26 May 92

[Text] Shanghai, May 26 KYODO—One of China's prominent dissident novelists, Wang Ruowang, on Tuesday repeated his appeal for Chinese Government permission to go to the United States to receive medical treatment and teach at Columbia University.

Speaking to KYODO news service from his Shanghai residence in a telephone interview, the ex-deputy editor of the magazine SHANGHAI LITERATURE, said he has been recently freed from seven months of in-house surveillance by security police.

Security police had reportedly monitored his activities and banned contacts with the outside world from last October 29, when he was released from a 16-month imprisonment for his part in the 1989 Tiananmen Square pro-democracy protests, crushed by Chinese troops.

"If the Chinese Government allowed me to leave China in the aftermath of the latest lifting of the in-house surveillance, it would improve China's international image," the writer said.

Wang was detained on suspicion of "antirevolutionary instigation and propaganda" on July 19, 1989—six weeks after the Chinese Army opened fire on pro-democracy protesters with heavy loss of life.

The writer is known for his bold April, 1989 open letter to Chinese strongman Deng Xiaoping, asking the leader to support the pro-democracy student movement prior to the Tiananmen Square incident.

Wang has been denounced by the Chinese Government for encouraging Chinese citizens to stand up to the Chinese authorities in seeking democracy and human rights.

Wang said he forwarded another letter last month to Deng, asking for his permission to go to the U.S. to comply with a Columbia University request to teach as a visiting scholar and receive treatment for an eye ailment.

Wang said he has not yet received any official notification that he and another dissident intellectual, Wen Yuankai, will be allowed to leave China.

Wen Yuankai, 45, a leading biophysicist at the Chinese University of Science and Technology in Hefei, Anhui Province, was reportedly detained for about 12 months for joining antigovernment pro-democracy protests.

Wen is a colleague of Fang Lizhi, a leading dissident and former Chinese University of Science and Technology astrophysicist, who was allowed to travel to the West after being sheltered at the U.S. Embassy in Beijing following the Tiananmen Square crackdown.

He also reportedly appealed to the Chinese Government to have an understanding of the pro-democracy movement in May 1989—a month before the incident.

Jiang Zemin Meets Visiting U.S. Delegation

OW2705104092 Beijing XINHUA in English
1030 GMT 27 May 92

[Text] Beijing, May 27 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, met with a delegation from the United States led by Richard. H. Ichord, chairman of the U.S. Freedom Coalition and former congressman, at the Zhongnanhai here this afternoon.

Their one-and-a-half-hour long conversation covers mainly the Sino-U.S. relations and other issues of common interest.

The delegation composed of former U.S. congressmen, ambassadors, and governors of some states has come to visit China at the invitation of the Chinese People's Institute of Foreign Affairs.

During the meeting, Jiang appreciated the efforts made by the U.S. Freedom Coalition and other American friends to promote the mutual understanding of the two peoples and improve bilateral relations, and hoped that they will make new contributions in this regard.

President of the host institute Liu Shuqing and U.S. Ambassador to China J. Stapleton Roy attended the meeting.

Later, Qian Qichen, state councillor and minister of foreign affairs, met Ichord and his party at the state guesthouse and exchanged views with them on the Sino-U.S. relations and international issues of mutual concern.

Li Peng, Boeing Head Hold Talks on Cooperation*OW2605114292 Beijing XINHUA in English
1122 GMT 26 May 92*

[Text] Beijing, May 26 (XINHUA)—Chinese Premier Li Peng said today that once Sino-U.S. relations overcome all the existing barriers to develop along a normal track, this will help ensure the business cooperation between the two countries.

Li made the remarks in meeting with Chairman Frank Shrontz of the American Boeing Company, an aircraft manufacturing giant, here this afternoon.

The Chinese premier said he expects the Boeing Company to make fresh efforts towards the removal of trade frictions and the further restoration and expansion of relations between China and the United States.

China attaches importance to its cooperation with the Boeing Company, Li said, adding that the country's demand for aircraft will continue to increase along with economic development.

Meanwhile, China has "relatively large potentials" for the aircraft manufacturing industry, he said. Therefore, he added, "we welcome the Boeing Company to develop compensation trade and other forms of cooperation and conduct technological exchanges here with China."

Referring to the fierce competition in the world aviation market, Li hoped the Boeing Company will take constant efforts at turning out products with competitive quality, prices and after-sale service.

Shrontz, voicing satisfaction with the Boeing Company's 20 years of cooperation with China, said the Chinese airlines have become an important Boeing customer and his company attaches big importance to this relationship of cooperation.

Also, he said, the Boeing Company will, as always, work for the further improvement of U.S.-China relations.

Vice Premier Zou Jiahua Meets Correspondent*OW2705112292 Beijing XINHUA in English
1040 GMT 27 May 92*

[Text] Beijing, May 27 (XINHUA)—Chinese Vice-Premier Zou Jiahua met here today with Louis Wiznitzer, a senior diplomatic correspondent of the U.S. CHRISTIAN SCIENCE MONITOR stationing in France.

During the meeting, Zou had a friendly conversation with him and answered his questions concerning China's economic development and reform.

RENMIN RIBAO Head Meets U.S. Columnist*HK2705071192 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 23 May 92 p 3*

[Report: "Gao Di Meets U.S. Columnist"]

[Text] Director of RENMIN RIBAO Gao Di met with the well-known U.S. columnist Mr. Juan Tzu-shan and his wife on 22 May. The guests and host frankly exchanged views on issues of China's current reform and opening to the outside world as well as news work.

Mr. Juan Tzu-shan came to visit China at the invitation of RENMIN RIBAO OVERSEAS EDITION.

U.S. 'Experts' To Advise on Futures Trade*OW2605123192 Beijing XINHUA in English
1157 GMT 26 May 92*

[Text] Beijing, May 26 (XINHUA)—China is mapping out detailed plans to set up a futures trade market which is consistent to the country's actual conditions but conform with the world's established principles, a senior official from the Ministry of Commerce said today.

Hu Ping, commerce minister said in a special ceremony to invite two top managing experts from the Chicago Board of Trade to be senior advisors in China's wholesale and futures trade that the details concerning the establishment are being discussed in various departments in the central government level.

In today's ceremony, O'Connors, chairman and William Grossman, vice chairman and managing director of the Chicago Board of Trade were invited to be senior advisors of a special consultant group in wholesale and futures trade.

During the reception, the minister said that the reform of China's circulation structure and a smooth commodity transaction are important aspects in China's economic reform while the establishment of wholesales market in consuming and production materials and futures trade represent key issues in the country's circulation reform.

Hu extended his sincere gratitude to the Chicago Board of Trade in its support in the establishment of China's first national wholesale market, Zhengzhou Grain Wholesale Market. The minister specially referred to William Grossman who paid 32 visits to China and helped build China's market system and promoted the understanding of the futures trade in the United States.

He emphasized that China will learn from the advanced foreign technologies, managing and operation experience in the establishment of China's own futures trade.

According to an official from the Ministry of Commerce, China entered its cooperation with the U.S. futures market in early 1990. The recent invitation of two Western futures experts will surely promote the work, the official said.

White House Defends Haitian Refugee Policy

OW2605212192 Beijing XINHUA in English
2023 GMT 26 May 92

[Text] Washington, May 26 (XINHUA)—The White House today defended its new policy of stopping Haitian refugee boats at sea and returning them directly to their native land.

The new policy was under criticism from several U.S. lawmakers, such as Rep. [Representative] Charles Rangel, who contend that the new policy was racist and would not be implemented if the poor migrants were white.

Marlin Fitzwater, spokesman of the White House, defended the policy by saying, "we simply have to be concerned about the immigration rules for all people who want into this country from all countries of the world... It is not a question of not wanting any one nationality."

"It is a question of dealing with these kinds of issues as rationally and safely as we can," Fitzwater said. "People were dying every day in these old ships that they are trying to take out."

The White House announced its new policy on Sunday after it was unable to persuade the Dominican Republic to absorb the overflow of Haitian refugees surging into the U.S. naval base at Guantanamo Bay, Cuba, which has accepted 12,400.

About 35,000 Haitians have been picked up by the U.S. Coast Guard at sea since a military coup last September that ousted President Jean-Bertrand Aristide. About 9,000 have requested asylum.

Rep. Rangel, who just returned from Haiti where he was part of an Organization of American States (OAS) delegation, denounced the White House's new policy as "hypocritical."

He questioned its legality and said "it is almost like people escaping from a building on fire."

In addition, the White House is frustrated with the OAS for failing to accept more responsibility for the refugees.

"These are other places the Haitians could go," a U.S. Administration official said. Of the refugee situation, the official said "it is a shared problem."

Fitzwater said the U.S. Administration would "continue to work with" the OAS, though he noted that the Caribbean members did not appear willing to intensify their efforts.

Northeast Asia

NPC Head Wan Li Continues Visit to Japan

Calls for Joint Efforts With Diet

OW2605130292 Beijing XINHUA in English
1244 GMT 26 May 92

[Text] Tokyo, May 26 (XINHUA)—Visiting Chinese congressional leader Wan Li said here today that the National People's Congress (NPC) of China is willing to work with the Japanese Diet (parliament) to advance the friendly and cooperative Sino-Japanese relations.

"I'm here for this purpose," Said Wan, chairman of the Standing Committee of the NPC, at the banquet given in his honor by Yoshio Sakurachi, speaker of the House of Representatives, and Yuji Osada, president of the House of Councillors.

Wan arrived in Tokyo on Monday at the invitation of both houses of the Diet for an eight-day official goodwill visit as part of celebrations commemorating the 20th anniversary of the normalization of diplomatic relations between China and Japan.

"China and Japan are neighboring countries with a history of more than 2,000 years of friendly exchanges," Wan said. Constant development of Sino-Japanese relations was the desire of both peoples.

Since the two countries normalized relations in 1972, Wan added, Sino-Japanese ties had developed smoothly on the basis of the Sino-Japanese Joint Statement and the Peace and Friendship Treaty.

"Great achievements have been made in political, economic, cultural and technological fields as results of mutually beneficial cooperation," he said.

Wan pointed out that the development of Sino-Japanese ties not only brought major benefits to the two peoples but also made positive contributions to peace and development in Asia and the world at large.

"Practice over the past 20 years," he said, "has proved that long-term and stable development of Sino-Japanese friendly and cooperative relations conforms with the two people's fundamental interests."

He said, "the NPC very much treasures its friendly ties already established with the Japanese Diet and hopes to deepen and widen them so as to make greater contributions to the further development of relations between the two countries."

Yoshio Sakurachi also spoke at the banquet, which was held at his official residence in Tokyo, declaring that "relations with China are very important for Japan."

The lower house speaker said Wan's visit, made at a time that he described as "worth celebrating," was of great significance to the enhancement of bilateral ties.

"The maintenances of friendly ties between the two countries," he said, "is conducive to the peace and development not only of the two countries but also of the Asian Pacific region and the world as well."

Calling Wan an excellent sports fan, Sakurachi said exchanges between the two peoples in various fields such as sports and culture were important factors for fostering friendship between the two countries, and he hoped that such exchanges would be boosted.

He also expressed the wish that Wan's current visit to Japan would be successful.

Yuji Osada proposed a toast at the banquet.

Other Chinese guests at the banquet were Cao Zhi, deputy secretary general of the NPC's Standing Committee; Fu Hao, vice chairman of the NPC's Foreign Affairs Committee; and Xu Dunxin, Chinese vice foreign minister.

Guests from the Japanese side included Yasuhiro Nakasone, former Japanese prime minister; Kiichi Murayama, vice president of the House of Representatives; and Ippei Oyama, vice president of the House of Councillors.

Discloses Deng Shoudu Inspection

HK2605151492 Beijing ZHONGGUO XINWEN SHE in Chinese 1413 GMT 26 May 92

[By Zhang Rongzhou (1728 2837 3166) and Wang Wenhe (3769 2429 0735): "Wan Li Discloses That Deng Xiaoping Recently Made Inspection Tour of Shoudu Iron and Steel Company"]

[Text] Tokyo, 26 May (ZHONGGUO XINWEN SHE)—Wan Li, National People's Congress Standing Committee chairman, said Deng Xiaoping showed great concern about the in-depth reform of large and medium state enterprises. He said that Deng personally made an inspection tour of Shoudu Iron and Steel Company last week and that Deng spoke highly of the experience of invigorating large and medium state enterprises gained by the company, and this greatly inspired its workers and staff members. Wan Li's above remarks were on two occasions—when he met with Japanese House of Representatives Speaker Yoshio Sakurachi and when he met Japanese Prime Minister Miyazawa.

The Shoudu Iron and Steel Company was the first large state-owned enterprise to carry out contract reform on trial basis, whose economic results as well as profits and taxes turned over to the state rank first among large and medium state enterprises in the entire country.

Further on Miyazawa Meeting

OW2605175492 Beijing XINHUA Domestic Service in Chinese 1346 GMT 26 May 92

[By reporter Liu Wenyu (0491 2429 3768)]

[Text] Tokyo, 26 May (XINHUA)—Japanese Prime Minister Kiichi Miyazawa met with Wan Li, chairman of China's National People's Congress [NPC] Standing Committee who is currently visiting Japan, at his residence this afternoon. The two sides had a cordial and friendly conversation on the importance of the Sino-Japanese relations, as well as on issues of common interest.

Miyazawa first extended his warm welcome to Chairman Wan Li's visit. He said: Since the 20th anniversary of the normalization of Japanese-Chinese relations falls in this year, Chairman Wan Li's visit will make the celebration of the occasion even more meaningful.

Wan Li said: "I am very happy to make the visit on the occasion of the 20th anniversary of the normalization of Sino-Japanese relations and to meet you today." Wan Li said: Since the normalization of Sino-Japanese relations, the two sides have very successfully promoted exchanges in all fields. The normalization of bilateral relations was a far-sighted decision made by statesmen in both countries. The exchange of visits by high-level leaders of the two countries is of great significance in the promotion of friendship and cooperation between the two countries.

Miyazawa said: "Although difficulties existed between the two countries 20 years ago, our predecessors made a very important policy decision. Now, a very good development has been made in our bilateral relations. We welcomed General Secretary Jiang Zemin not long ago. His visit was a great success."

Miyazawa said: At the moment, Sino-Japanese relations are not only relations between the two countries. They are very important relations that contribute to peace, stability and development in the Asia-Pacific region and the world at large. It is very important to develop them.

Wan Li said: With efforts by both the governments and the peoples of the two countries in the past 20 years, Sino-Japanese relations have been very good. Facts prove that Sino-Japanese friendship benefits not only to the peoples of the two countries, but also contributed to peace in the Asia-Pacific region and the world as a whole.

At Miyazawa's request, Wan Li briefed him on the situation of China's reform and opening to the outside world. Wan Li said: Since Comrade Deng Xiaoping's inspection of southern China early this year, China has accelerated the pace of reform and opening to the outside world. We adhere to the basic line of "one central task and two basic points" and will keep to it for 100 years. The Fifth Session of the Seventh National People's Congress this year adopted a resolution which demands a faster pace of reform, opening up, and economic development. Comrade Deng Xiaoping has proposed that China should assimilate advanced science and technology and management experience of all developed countries. Wan Li said: "Japan is a big economic power and our close neighbor. We will also learn from Japan."

Miyazawa said: Since China is laying a groundwork for future economic development, Japan will certainly offer cooperation and support if needed.

Wan Li said: China, enjoying political and social stability, maintains very good relations with surrounding countries. It has accumulated experience in the 10 years of reform and opening to the outside world. Now, there is a very good opportunity for China, and China will seize the good opportunity and concentrate on economic development.

During the meeting, Wan Li conveyed to Miyazawa the regards of General Secretary Jiang Zemin and Premier Li Peng. Miyazawa expressed his thanks for the regards.

Present at the meeting were Cao Zhi, deputy secretary general of the NPC Standing Committee; Fu Hao, member of the NPC Standing Committee and vice chairman of its Foreign Affairs Committee; Xu Dunxin, vice foreign minister; and Yang Zhenya, Chinese ambassador to Japan.

Present on the Japanese side were Koichi Kato, chief cabinet secretary; Sakutarō Yano, director of the Asian Bureau in the Ministry of Foreign Affairs; and Kouhei Murata, director of the Foreign Affairs Department in the House of Representatives.

Salutes 20-Year Ties

OW2705091892 Beijing XINHUA in English
0903 GMT 27 May 92

[Text] Tokyo, May 27 (XINHUA)—China's National People's Congress Chairman Wan Li expressed his appreciation today to non-governmental Japanese organizations for helping develop Sino-Japanese relations.

The past twenty years had seen greatly enhanced ties owing to the joint efforts of both governments and peoples as well as Japan's friendship promoting organizations, Wan Li said.

Wan's remarks came at a luncheon given by Japan's non-governmental Organizing Committee which was celebrating twenty years of full diplomatic ties with Beijing.

Wan extended his "high respect and heartfelt gratitude" to those who had dedicated their efforts to promoting closer ties.

Wan arrived Monday at the invitation of both houses of the Japanese Diet (parliament) for an eight-day goodwill visit to Japan.

His arrival at the spacious reception hall of the Akasaka Prince Hotel was greeted with warm applause from some 1,000 guests.

"Sino-Japanese cooperation enjoys broad prospects as the two countries have similar cultural traditions and complementary economies," Wan said.

Former Japanese foreign minister Saburo Okita also spoke at the luncheon, saying Wan's visit would promote bilateral relations.

Japan's extension of cooperation to China was conducive not only to bilateral relations but also to stability and prosperity in the Asian region as a whole, he said.

DPRK Paper Criticizes South Korea for Tensions

OW2305100892 Beijing XINHUA in English
0909 GMT 23 May 92

[Text] Pyongyang, May 23 (XINHUA)—South Korea's recent frequent military exercises targeting at the North have led to growing tension on the Korean peninsula, Korean leading newspaper NODONG SINMUN reported today.

Quoting well-informed military sources, it said that in the three days from May 19 to 21, South Korea staged military exercises on land, sea and air in Wonju, Danyang in the central areas of the military demarcation line, and Kunwi in the east.

More than 680 sorties of flights were made by the U.S. and South Korean Air Forces in their joint exercises.

On May 21, U.S. Air Force, starting from midnight, made more than 80 sorties in a night attack exercise which took the north strategic central zone as the imaginary target.

On May 20 and 21, the U.S. and South Korean Army held military exercises in Chongju and Daejeon, raiding ground targets with missiles from the air.

On May 20, the South Korean Army fired shells at the non-military zone of the military demarcation line.

NODONG SINMUN said the military exercises held by the South and U.S. constituted a challenge to peace on the Korean peninsula.

Ding Guangen-led Delegation Departs for DPRK

OW2505022092 Beijing XINHUA in English
0136 GMT 25 May 92

[Text] Beijing, May 25 (XINHUA)—Ding Guangen, alternate member of the Political Bureau and member of the Secretariat of the Chinese Communist Party (CPC) Central Committee, left here this morning for a goodwill visit to the Democratic People's Republic of Korea (DPRK), at the invitation of the Central Committee of the Workers' Party of Korea.

Ding's entourage includes Xiong Qingquan, member of the CPC Central Committee and secretary of the Hunan Provincial Party Committee, and Li Chengren, deputy head of the International Liaison Department of the CPC Central Committee.

Procuratorate Delegation Visits DPRK

OW2705091992 Beijing Central People's Radio Network in Mandarin 1700 GMT 26 May 92

[From the "International News and Current Events" program]

[Text] In Pyongyang on 26 May, Kye Ung-tae, member of the Political Bureau and secretary of the Central Committee of the Korean Workers' Party, said: Korean-Chinese relations are developing well and the Korean people are very happy about this.

Kye Ung-tae made the statement while meeting a Chinese delegation of the Supreme People's Procuratorate led by Deputy Procurator General Zhang Siqing.

Kye Ung-tae said: Under the leadership of the party Central Committee with General Secretary Jiang Zemin as the core, the Chinese people have been united as one. They are upholding the four cardinal principles and implementing reform and opening to the outside world and have achieved great success in the socialist construction. The overall living standard of the people has been improved.

Southeast Asia & Pacific**Cambodian Council Discusses Peace Procedures**

OW2605180292 Beijing XINHUA in English 1608 GMT 26 May 92

[Text] Phnom Penh, May 26 (XINHUA)—President Samdech Norodom Sihanouk today chaired the tenth conference of the Supreme National Council of Cambodia in discussion on some matters concerning the second phase of the Cambodia peace procedure.

The special representative of the United Nations General Secretary, Yasushi Akashi, the first to address the meeting, said an immediate cease-fire should be implemented out in the second stage of the peace procedure.

Akashi, who is also president of the U.N. Transitional Authority in Cambodia, said he wished for close cooperation from the rival factions in Cambodia in the implementation of a cease-fire.

Freedom to enter areas controlled by all factions should be granted to employees of the Transitional Authority, he said, and measures should be taken to prevent breaches of the cease-fire agreement.

Moreover, all sides should cooperate with the U.N. peacekeepers and provide the U.N. peacekeeping organization with information about their soldiers, arms and ammunition.

Samdech Sihanouk said he hoped the proposals and suggestions by Akashi would be backed by all factions, and members of the council expressed their support.

The leader of the Democratic Kampuchea Party, Khieu Samphan, said the second stage of the Cambodian peace procedures should be preceded by measures for control and verification of the withdrawal of foreign forces in line with the Paris peace accord.

Khieu, also a council member, said the Democratic Kampuchea Party supported the establishment of 10 checkpoints along the Cambodian-Vietnamese border, and representatives of the party were ready to join those checkpoints at any time.

He proposed that each checkpoint be sent an initial contingent of 20 to 30 infantrymen of the U.N. Transitional Authority in Cambodia.

Son Sann, of the Khmer People's National Liberation Front, asked the Transitional Authority to check the problem of Vietnamese soldiers stationed in Cambodia and the border issue between Cambodia and Vietnam.

Hun Sen, from the Phnom Penh regime, said the second phase of the Cambodian peace procedure hinged on whether a truce was honored or not.

The council agreed to discuss and pass at its next session the electoral act drafted by the U.N. Transitional Authority in accordance with the Paris peace pact hammered out in October 1991.

Cambodian KPRLF Ends Second National Congress

OW2205123392 Beijing XINHUA in English 1142 GMT 22 May 92

[Text] Phnom Penh, May 22 (XINHUA)—The Khmer People's National Liberation Front (KPRLF) ended its second national congress today with the formal formation of the Khmer Buddhist Liberal Democratic Party.

Son Sann, KPRLF president, was elected chairman of the newly-established party.

All members of the Khmer People's National Liberation Front automatically become members of the party, as the new party constitution stipulates. The front now has 22,228 members.

A resolution adopted at the congress said the new party would lead the Cambodian people in continued struggles to free the country from foreign control.

It called on the Cambodian people to unite with the party in reconstructing their new life.

It urged the United Nations to continue to send peace-keeping troops to Cambodia in order to guarantee a comprehensive implementation of the Paris agreements, lasting peace in the country, and a smooth proceeding of the 1993 general election.

The resolution also appealed to the United Nations Transitional Authorities in Cambodia (UNTAC) for supervising and verifying the withdrawal of foreign troops and illegal immigrants from Cambodia.

In this regard, the document reiterated the call for Vietnam to respect the independence, sovereignty, and territorial integrity of Cambodia.

Lao Party Delegation Arrives in Beijing

BK2405032092 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 24 May 92

[Text] According to Radio Beijing, yesterday afternoon, Wen Jiabao, alternate member of the Secretariat of the Chinese Communist Party Central Committee [CCP CC] and head of the CCP CC Office, met with the delegation of the Office of the Lao People's Revolutionary Party Central Committee [LPRP CC] led by Somsavat Lengsavat, member of the LPRP CC and head of the LPRP CC Office and of the Prime Ministers's Office.

The visit by the LPRP CC Office delegation is aimed at exchanging views with the Chinese counterpart on the adherence to the party leadership in implementing the reform and open-door policy and other issues.

During the meeting, Wen Jiabao said that China is willing, without any reservation, to share experiences and methods in this regard with Lao friends.

Our Lao delegation arrived in Beijing on 19 May to pay a visit to the PRC at the invitation of the CCP CC Foreign Relations Committee.

Near East & South Asia

Indian President Concludes 'Successful' Visit

Tours Shaanxi Province

HK2605114892 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 21 May 92

[Excerpts] Yesterday at noon, at the invitation of Chinese State President Yang Shangkun, accompanied by Chinese Minister of Construction Hou Jie and his wife, Indian President Ramaswamy Venkataraman and his wife arrived in Xian by special plane for a sightseeing tour after completing their visit to Beijing.

Provincial Vice Governor Zheng Silin, Xian City Mayor Cui Lintao, Zhang Kairong, provincial foreign affairs office director, as well as Fan Xiaomei, provincial science and technology commission chairman, greeted the Indian president and his wife at the airport.

Yesterday afternoon, accompanied by Zheng Silin and Fan Xiaomei, provincial science and technology commission chairman, the Indian president and his wife as well as their entourage, who were in high spirits, visited Xian's Dayan Tower and Dayan Mosque. [passage omitted]

Yesterday evening, provincial Governor Bai Qingcai held a banquet in Xian Hotel's Baihua Hall in honor of President Venkataraman, his wife, and their entourage.

Airplane Problem Delays Departure

BK2305131692 Delhi All India Radio Network in English 1230 GMT 23 May 92

[Text] The President Mr. Venkataraman's departure from Shanghai at the end of a six-day state visit to China has been delayed by a day because of some technical snag in the aircraft. Mr. Venkataraman and other members of the delegation will reach Delhi tomorrow. Our special correspondent, Sushil Chopra, reports from Shanghai that while towing in the Air India 747 aircraft, one of its tires got off the runway and the aircraft became unserviceable. Our correspondent understands that an alternative aircraft is being flown from Bombay to Shanghai.

President Returns to New Delhi

OW2405130492 Beijing XINHUA in English 1206 GMT 24 May 92

[Text] New Delhi, May 24 (XINHUA)—Indian President R. Venkataraman said today that his six-day visit to China is "very successful."

He made the remarks when he was greeted by Indian Vice President S.D. Sharma, Prime Minister P.V. Narasimha Rao and the Charge d'Affairs of the Chinese Embassy Li Guanghui at the Palam Airport upon his arrival.

During his visit to China, the president held wide-ranged talks with his Chinese counterpart Yang Shangkun, General Secretary of the Chinese Communist Party Jiang Zemin and Premier Li Peng.

Joint Trade Committee Meeting With Yemen Opens

To Discuss Expanding Cooperation

OW2605103592 Beijing XINHUA in English 0809 GMT 26 May 92

[Text] Beijing, May 26 (XINHUA)—The meeting of the China-Yemen Joint Committee of Economic, Technological Co-operation and Trade, the first joint committee meeting between the two countries after the founding of the Republic of Yemen in 1990, began here today.

Co-chairmen of the joint committee, Chinese Vice-Minister of Economic Relations and Trade Wang Wendong and Yemeni Vice-Minister of Construction Mahmud 'Awad Duba, presided over today's opening session.

During the meeting, the two sides will discuss the issues of expanding the economic, trade and technological co-operation between China and Yemen. The two sides are also scheduled to sign the minutes of the meeting on Thursday.

The economic ties between China and the former North Yemen and South Yemen began in 1958 and 1968 respectively.

According to Wang Wendong, the trade volume between China and Yemen reached 66.50 million U.S. dollars in 1990, 47 percent more than in the previous year. In 1991, the personnel exchange and business contacts between the two countries increased despite the Gulf war. Meanwhile, bilateral economic and technological co-operation has kept developing steadily.

Dubba and his party arrived here May 25. After attending the joint committee meeting, they are expected to travel to Guangzhou and other cities in South China.

Yemen To 'Push Forward' Trade Ties

HK2705014092 Beijing CHINA DAILY
in English 27 May 92 p 2

[By staff reporter Wang Yong: "Yemeni Visit To Cement Trade Ties"]

[Text] A six-member Yemeni trade delegation began a formal visit to China yesterday in a high-profile gesture to push forward economic cooperation.

Mahmud 'Awad Duba, the Yemeni vice-minister of construction, headed the mission to attend the first session of the Sino-Yemeni Joint Commission on Economic and Trade Cooperation since the United Republic of Yemen was formed on May 22, 1990 by the Yemen Arab Republic and the People's Democratic Republic of Yemen.

China has already held several such sessions with the People's Democratic Republic of Yemen.

"We hope to sign certain agreements on economic and trade cooperation during our visit," Dubba said in a meeting with Chinese trade officials in Beijing yesterday.

The two sides are expected to focus their talks on how to use the remaining sum of money China has provided to Yemen as well as future economic cooperation.

Dubba proposed that Chinese companies engage in the construction of new roads in his country.

China's economic aid to Yemen has mainly been spent on the construction of roads, textile plants and hospitals.

During his stay in China until next Monday, Dubba will meet officials from the Ministry of Finance and the Ministry of Construction.

He will visit special economic zones in Guangdong Province before returning home.

Dubba said a high-level Yemeni delegation is likely to visit China following his current tour.

Wang Wendong, vice-minister of Foreign Economic Relations and Trade, said both countries would like to see bilateral economic cooperation gain momentum in the future.

Sino-Yemeni trade underwent a down-spiral last year because of the effects of the Gulf War, Wang said. "But reciprocal trade visits were never as active as in 1991," he added.

China's trade with Yemen in 1990 reached \$66.5 million, up 47 percent over 1989, according to statistics from the Chinese General Administration of Customs.

"We are ready to expand our trade scope on the basis of mutual benefit," he said.

Economic and technical cooperation has performed well since the founding of the Republic of Yemen, he added.

So far, China has rendered 940 million yuan (\$170 million) of economic aid to Yemen.

Yemeni Ambassador Gives National Day Reception

OW2205131892 Beijing XINHUA in English
1219 GMT 22 May 92

[Text] Beijing, May 22 (XINHUA)—Ambassador of the Republic of Yemen Ghaleb S. al-Adoofi [name as received] and his wife gave a reception here this evening to mark the second anniversary of the proclamation of the country.

Chinese Minister of Forestry Gao Dezhan and diplomatic envoys of various countries to China were among several hundred guests at the reception.

XINHUA Analyzes Israeli Attacks on Lebanon

OW2605180492 Beijing XINHUA in English
1658 GMT 26 May 92

[By Zhao Zhuxiu: "What Is Behind Israel's Attacks on South Lebanon?"]

[Text] Beirut, May 26 (XINHUA)—Israel has been launching air and artillery attacks on Hizballah strongholds and villages in south Lebanon over the past week, giving rise to the question of its real motives.

Some political observers here believe that though the Israelis targeted their attacks on bases of the pro-Iranian Hizballah (Party of God), they actually aimed at striking out the Syrian presence in Lebanon.

They noted that Israeli warplanes raided Hizballah strongholds in the town of Janta, which is controlled by Syrian troops and is only a few kilometers from the Syrian border.

Syria, the major power broker in the country, has 35,000 troops in Lebanon under an Arab League peacekeeping mandate.

Israeli Defense Minister Moshe Arens blamed Syria for conniving at Hizballah's guerrilla attacks on Israel from Syrian-controlled areas.

Foreign Minister David Levi also warned Damascus that Israel would not tolerate Syria's continued support for attacks on Israeli forces in south Lebanon.

Moreover, Uri Lubrani, coordinator of Israeli activities in Lebanon, has said he cannot rule out a "limited war" against Syria, claiming "the whole thing depends on Syria."

The U.S. Government has also joined Israel in urging Syria to disarm Hizballah and end its military existence. But Damascus rejected the move, arguing the disarming of Hizballah and the resistance forces was a mere pretext to serve Israeli interests.

The Beirut newspaper "AL-SAFIR" said today that the Israeli military operations in south and east Lebanon served two purposes: "To embarrass Syria and force it to deploy its troops outside Beirut before next September, and to settle accounts with Hizballah and eliminate its military presence in south Lebanon."

Syrian Foreign Minister Faruq al-Shar' announced Monday that his country was seeking neither a confrontation nor a war with Israel, but stressed "if Israel imposes war, Syria would have no option but to fight."

Meanwhile, Israeli officials today denied that they want a confrontation with Syria.

Asked whether Israeli bombings could draw Lebanese-based Syrian forces into the fighting in the south, Ehud Gol, a spokesman for Prime Minister Yitzhaq Shamir, said, "on the contrary, our steps against the Hizballah are aimed at preventing an escalation."

In response to al-Shar's statement, Gol said: "We are not going to enter into an exchange of declarations."

He said Israel was committed to pursuing Middle East peace talks, but "at the same time we will defend our northern border from any threats and terrorists attacks."

According to reports from Lebanon, Syrian gunners stationed in eastern Lebanon had fired at Israeli jets during today's raid on the Jebel Safi region.

This is the first reported Syrian fire at Israeli forces in Lebanon in months, but there was no immediate comment by Israeli officials on the reports.

A Lebanese security source was quoted today by Beirut press as saying that Syrian forces in al-Biqa' Valley have reinforced their positions with 3,000 troops backed by heavy tanks, while Israeli forces sent reinforcements of troops and tanks into the area. The situation in south and east Lebanon remains explosive at any moment.

The Lebanese Government is making diplomatic efforts through the U.N. Security Council to avert a possible large-scale military operation in the areas, government sources said.

PLO Official Previews Upcoming Bilateral Talks

OW2605212492 Beijing XINHUA in English
2002 GMT 26 May 92

[By Gong Zhenxi]

[Text] Tunis, May 26 (XINHUA)—A senior PLO official said today Palestinian negotiators would raise the issues of Arab Jerusalem and formation of a regional human rights committee in the next round of bilateral peace talks with Israel.

Sulayman al-Najjab, member of the Executive Committee of the Palestinian [as received] Liberation Organization, made the remarks in an interview with XINHUA before his departure for Lisbon to attend a Palestinian meeting to review the outcome of the five working committees sessions on Mideast regional issues which were held in five different capitals earlier this month.

Al-Najjab said that a special committee on Jerusalem had to be formed in view of the importance of that issue.

However, he added, the formation of a Jerusalem committee will not alter the established fact that Jerusalem is part of the occupied Palestinian territories, hence, the issue should be placed high on the agenda of the Arab-Israeli bilateral negotiations.

Al-Najjab said the Palestinian side will also suggest the formation of a human rights committee for the region to supervise Israel's repressive practices in the occupied lands.

"We call upon the international community to ensure Palestinian human rights," he said, adding that these rights are being violated every day by the Israeli occupation authorities.

The next round of bilateral talks will be held in Rome, but a specific date is yet to be fixed.

Referring to the multilateral talks, the Palestinian official said he did not understand why the Palestinians were excluded from the working groups on security and arms control.

"We are prepared to participate in the efforts to safeguard security and peace in the interest of all peoples of the region," he asserted.

The Palestinians were also rejected participation in the committees on water and environment. They were allowed a role only in two committees, one on economic development and the other on refugees. The five committees were set up at the Mideast multilateral peace conference in Moscow in late January.

Al-Najjab asserted that the principal threat to the security of the region and the well-being of its peoples, including the Israeli people, is Israel's possession of nuclear arms. He warned that overlooking this fact "would not contribute to ensuring real security of the peoples in the region."

Al-Najjab stressed that the Palestinian side was "earnest" in participating in the multilateral talks and considered these talks as part of the overall deal for a political settlement.

He called upon Israel to abide by all U.N. resolutions on the Mideast issues and the land-for-peace principle, noting that Israel could not achieve real peace while continuing to occupy Arab territories.

"Nor could Israel establish normal relations with the Arabs so long as it disregards the rights of the Palestinian people," he said.

The Palestinian official also reaffirmed the PLO's commitment to the Palestinians' right to return to their homeland, saying the issue of Palestinian refugees was not a humanitarian problem but a political one.

He conceded that U.N. Resolution 194 affirming the Palestinian people's right to return and to compensations must be implemented.

The resolution, adopted in 1948, has been rejected by Israel which argues that only the Jews have the right to return to their homeland.

Sub-Saharan Africa

Benin Envoy Views Ties Before President's Tour

*OW2505134192 Beijing XINHUA in English
1244 GMT 25 May 92*

[Text] Beijing, May 25 (XINHUA)—Auguste Alavo, the Benin ambassador to China, said here today Sino-Benin cooperation has played a positive role in the life of people in Benin and the prospects of Sino-Benin cooperation are bright.

The ambassador made the remarks, during an interview with XINHUA at the Benin Embassy this morning, just prior to the forthcoming official visit to China of Benin President Nicéphore Soglo.

"Friendship between the two peoples and bilateral cooperation between the two countries will be further strengthened by the president's visit," said the ambassador.

He noted that will become the third president of Benin to visit China. During his stay in China, President Soglo is expected to exchange views with Chinese leaders concerning bilateral relations and world issues, in addition to exploring new fields of cooperation.

Alavo said: "Sino-Benin relations have developed satisfactorily." achievements in Sino-Benin cooperation in the agricultural, industrial and educational sectors have yielded good results, he added.

The ambassador stated that it is important for the two countries to exchange experiences and technology and to learn from each other.

He expressed the hope that Chinese enterprises could invest directly in Benin, in addition to cooperation at the government level.

Benin President Arrives in Beijing on Visit

Welcomed by Yang, Qian

*OW2605140592 Beijing XINHUA in English
1357 GMT 26 May 92*

[Text] Beijing, May 26 (XINHUA)—Benin President Nicéphore Soglo received a red-carpet welcome from Chinese President Yang Shangkun this afternoon in Beijing.

Following the welcoming ceremony, the two leaders held a 30 minute meeting in the Great Hall of the People.

According to a Chinese official, Yang praised President Soglo and the people of Benin for their efforts to create a stable domestic situation, build national unity and revitalize the country's economy.

Yang reaffirmed China's long-standing position of attaching great importance to relations with African countries, and told Soglo that China desires to consolidate and further friendly and cooperative ties with Benin.

Soglo described Sino-Benin ties as a "brotherly relationship." He said the goal of the current five-day state visit to China, his first trip since becoming president, is to gain more insight into China's policies of reform and opening to the outside world.

A number of other Chinese leaders attended the meeting, including State Councillor and Foreign Minister Qian Qichen; Lei Jieqiong, vice-chairman of the Standing Committee of the National People's Congress; Wu Shaoyu, chairman of the Government Reception Committee and minister of the State Physical Culture and Sports Commission.

Benin officials in attendance included Theodore Holo, minister of foreign affairs and cooperation, and a number of other senior officials accompanying the president on the visit.

Following the meeting, Yang hosted a banquet in honor of President Soglo and his wife.

Discusses African Unity With Li Peng

*OW2705074292 Beijing XINHUA in English
0714 GMT 27 May 92*

[Text] Beijing, May 27 (XINHUA)—Chinese Premier Li Peng said here today that the strengthening of unity and co-operation and the realization of economic integration among West African nations will be conducive to peace and development in Africa.

According to a Chinese Foreign Ministry official, Li made this remark during his talks with visiting Benin President Nicéphore Soglo here this morning.

The Chinese premier also noted that the momentum of unity and co-operation among African countries in an effort to improve themselves is continuing.

On bilateral relations, Li said that China and Benin have co-operated effectively in many fields for many years.

According to Li, China and Benin will sign an agreement on economic and technological co-operation and another on mutual exemption of visas during the president's current visit.

Li said that the signing of the agreements will be helpful to the further development of bilateral relations.

Li spoke highly of the Benin government's efforts to safeguard national unity, achieve the country's stability and develop national economy.

"We understand and respect the road of development and the policies the Benin Government and people have chosen according to their own conditions," Li said.

On China's domestic situation, Li said that China has the conditions for speeding up its economic constructions and reform, as well as for opening wider to the outside world.

He noted, "we are fully confident we can develop our country along the socialist road with Chinese characteristics, as proposed by comrade Deng Xiaoping."

Soglo briefed Li on the political and economic situation in Benin. He said that the social and economic development of Benin has entered a new stage because of changes in the international situation.

He said Benin attaches importance to China's experience in developing itself and implementing reform. Also, Benin appreciates China's position in dealing with international affairs that all countries are equal, he said.

Soglo reiterated that Benin holds there is only one China, and supports the restoration of China's position in the General Agreement on Tariffs and Trade (GATT) as one of the signatory states.

Prior to the talks, Chinese State Councillor and Foreign Minister Qian Qichen met with Theodore Holo, minister of foreign affairs and co-operation of Benin, who is accompanying President Soglo on the visit.

Comments on Relations

OW2705093492 Beijing XINHUA in English
0922 GMT 27 May 92

[Text] Beijing, May 27 (XINHUA)—Visiting Benin President Nicéphore Soglo described the Sino-Benin political and economic ties as "exemplary."

In an interview with Chinese reporters here this afternoon, Soglo said that China is very "attractive" to him. He had visited this vast country in 1985 as an official.

During his current visit, he said, he has witnessed that China has changed a lot, and the purpose of his visit is to "learn" from the country's experience in its decade-old reforms.

China and Benin are expected to sign some cooperation agreements later today. Soglo hoped for more cooperation in personnel training, the construction of infrastructure, agriculture and processing industry between the two countries.

Commenting on the relations between Africa and China, Soglo said that the two sides have conducted effective cooperation although they have different political and economic systems.

Soglo described the democratic process in Benin as an "experiment." Such experiment, together with similar processes in a number of other African countries, constitute the "second rejuvenation of the African continent," he noted.

He said that the African countries, especially those in western Africa, must strengthen cooperation so as to accelerate development.

Qian Qichen Helps Mark African Liberation Day

OW2505142992 Beijing XINHUA in English
1355 GMT 25 May 92

[Text] Beijing, May 25 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen said here today that China cherishes its friendship with the African countries and is ready to further strengthen unity and cooperation with them.

He made these remarks at a reception here this evening hosted by the heads of the Beijing-based African diplomatic missions to celebrate the 29th anniversary of African liberation day.

Qian spoke highly of the contributions that the Organization of African Unity (OAU) has made over the past 29 years to fulfilling the grand historic task of decolonization in the African continent and to promoting African unity and cooperation.

He also praised the OAU for its untiring efforts to safeguard the independence and sovereignty of the African countries and to facilitate their economic cooperation and development.

Qian noted with pleasure that the situation in southern Africa is moving further in a positive direction with rapid progress in the process towards a political settlement of the South African question.

"We hope to see, at the earliest possible date, a united, democratic and non-racial new South Africa," he added.

Qian said Angola and Mozambique have made much headway in their effort to end the wars in their countries and seek national reconciliation through peaceful negotiations.

"We look forward to a new era of peace and development in this region at an early date," he said.

At present, he said, the OAU and various african countries are actively mediating the conflicts in the Horn of Africa and western Africa, adding that "we hope their effort will bear fruits."

Qian noted that the people in southeast Africa are waging a tenacious war against severe drought and famine. China has provided food and other relief materials to some disaster-stricken countries.

He expressed the hope that the international community will pay attention to Africa's difficulties and give vigorous support to the African countries so as to promote social stability and economic invigoration of the continent.

Jean Jacques Maurice, dean of the African diplomatic missions and Ambassador of Madagascar to China, also delivered a speech at the reception.

Nigerian Ambassador to China E.N. Oba read to the reception a message from General Ibrahim Badamasi Babangida, Nigerian president and current OAU chairman.

Babangida said in the message that within three decades of concerted action in the OAU, the twin problems of colonialism, and apartheid which bedevilled their continent, are all but over.

Indeed, he said, the colonial era, has truly come to an end in Africa, while current developments in South Africa, are bound to condemn the system of apartheid to the annals of history.

The president said Africa has demonstrated, time and again, that given the chance, it is capable of solving African problems.

"The record of our organization in the resolution of regional conflicts is encouraging," he said.

Yang Shangkun Appoints New Ambassador to Congo

OW2205103292 Beijing XINHUA Domestic Service
in Chinese 1050 GMT 20 May 92

[Text] Beijing, 20 May (XINHUA)—Acting on a decision by the Standing Committee of the National People's Congress, President Yang Shangkun of the People's Republic of China has appointed and dismissed the following ambassadors:

Wu Shunyu was dismissed as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of the Congo.

Ye Hongliang [0673 1738 5328] was appointed as ambassador extraordinary and plenipotentiary of the People's Republic of China to the Republic of the Congo.

West Europe

Chen Muhua, Group Arrive in Austria From Hungary

OW2705021692 Beijing XINHUA in English
0143 GMT 27 May 92

[Text] Vienna, May 26 (XINHUA)—Vice Chairman of the Standing Committee of the Chinese National People's Congress (CNPC), Chen Muhua, arrived here today for a six-day official visit to Austria.

Chen, who is heading a CNPC delegation, said at the airport that she hoped the visit would enhance mutual understanding, strengthen friendship between the two peoples and promote friendly and cooperative relations between the two countries' congresses.

Heinz Fischer, president of the Austrian National Council, held a banquet in honor of the Chinese delegation this evening and expressed wishes to further consolidate friendly relations between the two congresses.

Chen came here after winding up an official visit to Hungary.

Government Delegation Leaves for Scandinavia

Industrial, Technical Talks Planned

OW2505063392 Beijing XINHUA in English
0610 GMT 25 May 92

[Text] Beijing, May 25 (XINHUA)—A Chinese Government delegation led by Vice-Premier Tian Jiyun left here by air today on an 18-day visit to Sweden, Norway, Denmark and Finland at the invitation of the governments of these four countries.

The delegation includes Li Changan, deputy secretary-general of the State Council, Wu Yi, vice-minister of foreign economic relations and trade, Zhao Weichen, deputy director of the Production Office of the State Council, Wang Chunzheng, vice-minister of the State Planning Commission, and Li Hao, senior advisor to the Shenzhen People's Government.

An official of the Ministry of Foreign Economic Relations and Trade said that the delegation's visit aims at promoting understanding, strengthening friendship and expanding co-operation. During the visit, meetings of the China-Denmark, China-Norway and China-Finland mixed committees on economic and trade, industrial and scientific and technological co-operation will be held and purchasing groups will also be sent for talks on import business, he said.

Seeing the delegation off at the airport were He Chunlin, deputy secretary-general of the State Council, Jiang

Enzhu, vice-foreign minister, and Gu Yongjiang, vice-minister of Foreign Economic Relations and Trade, as well as envoys from Sweden, Norway, Denmark and Finland.

Swedish Leader Receives Tian Jiyun

OW2705031692 Beijing XINHUA in English
0247 GMT 27 May 92

[Text] Stockholm, May 26 (XINHUA)—Swedish Prime Minister Carl Bildt spoke highly of the development and open-door policy in China during his meeting with Chinese Vice Premier Tian Jiyun today.

"Swedish-Chinese cooperation has solid foundation in many fields and the Swedish business sectors have great interest in developing economic and trade cooperation with the Chinese side," Bildt said.

China's political and economic development was an important part of the development in the world, he said, adding that opening to the outside world and reform are the only way for China's development.

Tian said that in the course of reform and opening, China hopes to learn advanced experience and achievements from all developed countries, including capitalist countries, because they were the crystallization of mankind's wisdom.

China realized that only by accelerating reform and economic development and taking in experience of developed countries to improve people's living standard, could China enjoy a long-term stability, Tian said.

He added that he came here just to explore Sweden's strong points so as to seek the possibility of enlarging bilateral cooperation.

Tian, Trade Minister Meet

OW2605173992 Beijing XINHUA in English
1548 GMT 26 May 92

[Text] Stockholm, May 26 (XINHUA)—Visiting Chinese Deputy Premier Tian Jiyun held talks today with Swedish Foreign Trade Minister Ulf Dinkelspiel on cooperation in bilateral trade and the international situation.

Both agreed that promoting economic and trade cooperation between the two countries was in the interest of both.

Tian said China's boosting of economic reform required the reinforcement of cooperation with foreign countries, including Nordic countries.

Great potentialities existed for expanding Sino-Swedish cooperation, Tian said. Sweden had internationally-recognized advanced technology in communication, paper-making and machinery, while China had a large market and rich natural resources and manpower.

Dinkelspiel told Tian that Sweden attached great importance to its relations with China. His government was satisfied with the current cooperation in economic matters and trade.

He added that the Swedish Government and industrialists were fully committed to the further promotion of cooperation with China.

Tian, leading a Chinese Government delegation, arrived here this morning from Finland.

Delegation Concludes Visit

OW2605131492 Beijing XINHUA in English
1251 GMT 26 May 92

[Text] Geneva, May 26 (XINHUA)—A delegation of the Chinese People's Association for Friendship With Foreign Countries headed by its president, Han Xu, ended its five-day visit to Switzerland today and left Zurich for home.

Han led the Chinese delegation on a friendship tour at the invitation of the Switzerland-China Friendship Association.

The Swiss federal state secretary of foreign affairs, Jakob Kellanberger, received Han during his stay. They exchanged ideas on matters of mutual concern.

Han met many friends of the Switzerland-China Society and the Switzerland-China Friendship Association during a tour of Zurich and Berne.

NPC's Rong Yiren Arrives for Visit in UK

OW2705045592 Beijing XINHUA in English
0437 GMT 27 May 92

[Text] London, May 26 (XINHUA)—The vice chairman of the China National People's Congress [NPC] Standing Committee and chair of the China International Trust & Investment Corporation, Rong Yiren, arrived in London this afternoon for a six-day visit to Britain.

Rong will meet with British Secretary of State for Trade and Industry Michael Heseltine and other officials and brief the leaders on the reforms in China.

Rong is in Britain at the invitation of the British Foreign Ministry. He will also visit Birmingham and Edinburgh.

East Europe

NPC Chairwoman, Delegation Arrive in Hungary

Follows Visit to Poland

OW2205160192 Beijing XINHUA in English
1508 GMT 22 May 92

[Text] Budapest, May 22 (XINHUA)—A Chinese National People's Congress (NPC) delegation led by Vice Chairwoman Chen Muhua arrived here today for a good-will visit.

Chen told reporters at the airport "China and Hungary and the peoples of the two countries have a traditional friendship."

"We hope this visit will further promote understanding and strengthen friendship as well as push forward the development of cooperative relations between the two countries and the two parliaments," she said.

The Chinese delegation arrived today from Warsaw after completing a six-day visit to Poland.

Chen Muhua Opens Trade Center

OW2605174192 Beijing XINHUA in English
1458 GMT 26 May 92

[Text] Budapest, May 26 (XINHUA)—The Chinese Trade Center in Budapest opened for business on Tuesday.

The visiting vice-president of the Chinese National People's Congress (NPC), Chen Muhua, and the Hungarian parliament deputy president, Dr. Szuros Matyas, cut the ribbon at the opening ceremony.

Chen arrived here on May 22, leading a NPC delegation on a visit to the country.

Li Ming, the deputy head of the Chinese delegation, said China's establishment of the center was a major step for further development of its economic and trade cooperation with Hungary and neighboring states.

Hungarian state secretary of the Ministry of International Economic Relations, Berenyi Lajos, said the center's activities would have the support and cooperation of the Hungarian Government.

On Monday, Chen met Hungarian President Goncz Arpad and Hungarian parliament president Szabad Gyorgy.

Interviewed on Ties

LD2705083192 Budapest Kossuth Radio Network
in Hungarian 1630 GMT 26 May 92

[Interview with Chen Muhua, vice chairman of the Chinese National People's Congress, by correspondent Miklos Lengyel, in Budapest on 26 May—recorded]

[Excerpts] [Lengyel] The vice chairman of the Beijing parliament opened the new Chinese trade center at midday. This is not Mrs. Chen Muhua's first visit to Hungary. Years ago she gave me an interview as president of China's national bank. Now, in the villa in Rozsadomb [a part of Budapest], I asked her whether it is possible to halt the decrease in Hungarian-Chinese trade which has been a striking feature of the past one or two years.

[Chen Muhua, in Mandarin with superimposed Hungarian translation] In the past, Chinese-Hungarian trade turnover was considerable. It is only in the last two years

that it has declined. We think this decline is temporary. The reason is that the social system has changed in Hungary, and that in China we are carrying out a far-reaching economic reform. The consequence of this is that enterprises are considerably more independent than previously. It is no longer possible for inter-governmental agreements to regulate trade relations between the two countries. We now must adapt to this new situation.

Both sides must study the new circumstances. We are seeking new methods. We also would like to reverse the decline, and achieve a growth in the trade between our two countries. The creation of this trade center in itself also shows that China is trying positively to influence developments, that we are trying to adapt to this new situation. We are convinced that this trade center will be able to achieve its objective, and that the trade between our two countries will increase.

It is also our objective that this center should maintain relations with neighboring countries, that is it should be a regional center of sorts.

We can also envisage other forms of cooperation. For example, we can create joint ventures. It is not only in the economic sphere that our cooperation can be fruitful; for example, it is conceivable that cultural cooperation is also possible. It is important that both of us should endeavor to become acquainted with the situation of the other side.

For my part, I am optimistic about the future of Chinese-Hungarian trade.

[Lengyel] [passage omitted] What possibilities are there for an improvement in foreign relations when Hungary is no longer a socialist country, but China still is?

[Chen Muhua] This is the fifth day of my visit to Hungary. We have met the Hungarian president. We have held an exchange of views with the speaker of parliament, with the minister of international economic relations, with the leaders of party factions. Our social systems differ, but in my opinion cooperation is possible on the basis of the five principles of peaceful coexistence.

We also visited the countryside and met many people. It is our experience that we have a common wish to develop relations. This accords with the interests of both countries. The parliaments of the two countries maintain a close relationship with one another. These are things we note with pleasure. [passage omitted]

In relations with individuals, we have experienced friendship everywhere, and this promotes the development of relations in every sphere.

NPC's Ye Fei Meets Polish Trade Minister

*OW2605124292 Beijing XINHUA in English
1211 GMT 26 May 92*

[Text] Beijing, May 26 (XINHUA)—Ye Fei, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with Polish Minister of Transport and Maritime Economy Ewaryst Waligorski and his party here today.

During the meeting, Ye briefed the visitors on China's reform and opening policy, and exchanged views with them on shipping cooperation between the two countries and on other issues.

Chinese Minister of Communications Huang Zhendong was present at the meeting.

Waligorski and his party are scheduled to meet officials from the Chinese Ministry of Foreign Economic Relations and Trade, the Ministry of Agriculture and the Civil Aviation Administration.

The Polish minister arrived here on May 25 at the invitation of the Chinese Ministry of Communications. Besides Beijing, they will also visit Shanghai.

Communist Party Leader Meets Bulgarian Visitors

*OW2605124992 Beijing XINHUA in English
1220 GMT 26 May 92*

[Text] Beijing, May 26 (XINHUA)—China's reforms should be carried out in the light of the country's conditions and adhere to the road of socialism with Chinese characteristics, said a top Chinese party official here today.

Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, made the remarks during a meeting with Aleksandar Lilov, member of the Bulgarian National Assembly, member of the Supreme Council of the Bulgarian Socialist Party, and director of the party's Strategic Research Center, and his party here this afternoon.

According to a Chinese official attending the meeting, Qiao briefed the guests on the course of China's revolution and the ongoing reform and opening to the outside world.

Qiao was quoted as saying that under the direct leadership of veteran leader Deng Xiaoping, the Chinese Communist Party summed up the historical experience scored since the founding of the new China in 1949 and initiated the basic guideline which aims to take economic construction as the center, uphold the four cardinal principles, and adhere to the policies of reform and opening to the outside world.

Empirical facts show the guideline has proved to be correct, Qiao said.

Reform should be carried out in a constantly exploratory and practical manner, said Qiao, noting that all the measures should be continued so long as they increase the productivity and power of the country and improve the quality of life.

Qiao also briefed the visitors on China's current situation, saying that the Chinese people and local governments are studying and implementing the instructions made by Deng Xiaoping during his southern China tour early this year.

Lilov said that during his current visit he saw a China which is enjoying economic development and political stability, and which will play an increasingly important role in the world.

He considered China's political stability to be the result of a stable economy and successful economic reforms.

Lilov and his party arrived here on May 22 as guests of the Association for International Understanding of China.

Latin America & Caribbean

Ecuadoran Vice President Concludes Shanghai Visit

*OW2705001092 Shanghai People's Radio Network
in Mandarin 1000 GMT 26 May 92*

[From the "News and Weather" program]

[Text] Luis Valverde Parodi, vice president of the Republic of Ecuador, and his delegation today concluded their visit to Shanghai and left for Hangzhou by air. Vice Mayor Zhao Qizheng and other officials saw them off at the airport.

During their stay in Shanghai, the distinguished guests from Ecuador visited Hongqiao village's No. 12 Middle School and the museum, and they also viewed various scenery in the area.

First Jamaican Ambassador Presents Credentials

*OW2605125092 Beijing XINHUA in English
1111 GMT 26 May 92*

[Text] Beijing, May 26 (XINHUA)—Derrick Roy St Clair Heaven, first Jamaican ambassador to China, presented credentials to Chinese President Yang Shangkun here today.

Ambassador Heaven arrived here on May 23.

China and Jamaica established diplomatic relations in 1972.

Meets Li Peng

*OW2705031892 Beijing XINHUA in English
0245 GMT 27 May 92*

[Text] Beijing, May 27 (XINHUA)—Chinese Premier Li Peng met with Derrick Roy St. Clair Heaven, first Jamaican ambassador to China, at the Great Hall of the People here this morning.

Heaven arrived here on May 23.

Political & Social

RENMIN RIBAO: Workers 'Vital to Reform'

OW2705092492 Beijing XINHUA in English
0858 GMT 27 May 92

[Text] Beijing, May 27 (XINHUA)—An editorial in the "PEOPLE'S DAILY" [RENMIN RIBAO] to be published tomorrow calls for reliance on workers in carrying out reform in enterprises.

Enterprise reform is being introduced for the benefit of the working class and thereby, in the reform the working class must be relied on wholeheartedly so as to win their understanding, participation and support, the editorial says.

The reliance on the working class is a major issue which has an impact on the success of the enterprise reform, it adds.

The reform aims to liberate and develop the productive forces, enhance the overall national strength and raise people's living standards, including, of course, those of the workers.

By carrying out enterprise reform, the editorial says, those who work hard and well and give full play to their talents will be rewarded. In this way, enterprises can promote technical advancement, improve product quality, lower costs and increase economic efficiency so that the state revenue, enterprise profits and workers' incomes will all increase.

Through reform, workers' technical standards will be greatly enhanced as they learn more about culture, technology and management.

In the course of reform, the editorial says, some workers will be given more pay because of their greater contribution to the efficiency of their enterprises; the jobs of some will be changed and their incomes will be lowered temporarily; and some will become jobless.

All problems resulting from these changes can gradually be solved by improving the economic performance and the social security services, the editorial says.

It calls on party and government officials at all levels to make painstaking efforts to conduct ideological education among the workers on matters of public concern.

The officials should make workers fully understand that enterprise reform, in the final analysis, is beneficial to the working class and to everyone who work honestly.

Enterprise managers should help workers solve difficulties encountered in the course of the reform. In particular, the government and enterprises should extend every effort to help the workers made redundant by the reform.

Deng Criticizes 'Slow' Pace of 8th 5-Year Plan

HK2705055192 Hong Kong CHING CHI JIH PAO
in Chinese 27 May 92 p 7

[By staff reporters: "Deng Xiaoping Inspects Shoudu Iron and Steel Corporation, Praises Its Experiences and Criticizes 10-Year Program for Specifying Slow Growth Rate"]

[Text] When visiting Japan on 26 May, Wan Li, chairman of the Chinese National People's Congress [NPC] Standing Committee, twice revealed that Deng Xiaoping had inspected Shoudu Iron and Steel Corporation [SISC] last week and had spoken highly of its experiences.

When meeting with Yoshio Sakurachi, speaker of the Japanese House of Representatives, and Prime Minister Miyazawa, Wan Li, chairman of the Chinese NPC Standing Committee, twice mentioned that Deng Xiaoping is very concerned with deepening reform in large- and medium-sized state enterprises and inspected SISC in person last week. He spoke very highly of SISC's experience in enlivening large- and medium-sized state enterprises. All the staff and workers of the SISC were greatly inspired by his words.

The SISC was China's first large state enterprise in which experimental reform using the contract system was carried out. Its economic efficiency and the profits and taxes it delivers to the state surpass all other large- and medium-sized enterprises nationwide.

According to informed sources, Deng Xiaoping, accompanied by his entire family, inspected Beijing's SISC on 22 May. His speech, which lasted three hours, mentioned that there were three attitudes among the cadres toward the talks he gave when visiting the special economic zones in southern China.

Deng said at SISC: After my talks during my visit to the south, there have been three attitudes: Some are just going through the motions perfunctorily to humor me; another type are very withdrawn [chen men 3089 1899]; and only a small proportion have begun to take action.

The CPC Central Committee Propaganda Department has sent its staff to SISC and has asked the SISC propaganda department to give an account of what Deng Xiaoping said when inspecting SISC. The leadership of Beijing Municipality have blocked the passage of information concerning Deng's inspection of SISC, and no report has been made.

When at SISC, Deng Xiaoping praised it for its rapid development, which has proceeded more quickly than that of Anshan Iron and Steel Corporation [AISC]. Deng said: The slow development of AISC is not a problem of the enterprise itself but is a problem of policy.

During his inspection of SISC, Deng Xiaoping once again emphasized the need to emancipate the mind and quicken the pace of reform and opening up. He clearly

stated that the 6 percent growth rate laid down in the "Eighth Five-Year Plan and 10-Year Program" is no good; it is too slow.

For the time being, there has been no media coverage of Deng Xiaoping's inspection of SISC. According to informed sources, there will be an official written publication before long.

It is known that SISC was one of the first large- and medium-sized state enterprises in China in which the contract system was installed and its economic efficiency has always been the best in the country. Zhou Guanwu [0719 0385 2976], party committee secretary and managing director of SISC, has always had support from NPC Chairman Wan Li.

Analysts believe that Deng Xiaoping's inspection of SISC at such a time is significant, and the fact that Wan Li personally revealed this twice also carries some special implications.

Jiang Urges CPC To Implement Deng's Talks

*HK2605064992 Hong Kong WEN WEI PO
in Chinese 26 May 92 p 2*

["Dispatch From Beijing" by staff reporter Chen Chien-ping (7115 1696 1627): "Jiang Zemin Writes Letter to CPC Political Bureau Standing Committee Members and Several CPC Senior Statesmen on Implementing Deng's Talks"]

[Text] Beijing, 25 May (WEN WEI PO)—In a letter written a few days ago to the CPC Political Bureau Standing Committee members and several CPC senior statesmen, CPC General Secretary Jiang Zemin especially mentioned implementation of the talks Deng Xiaoping made during his southern trip. An important question at present is to guide the enthusiasm and make an issue focused closely on reform and opening up. In light of their own reality, all localities should strive to attain a relatively high economic growth.

According to authoritative figures here, Jiang Zemin's letter is being relayed, level by level, to the whole party. The main content of Jiang's letter is that: Following Deng Xiaoping's talks during his southern trip, the important question at the moment is to guide the enthusiasm, do practical things, and make an issue focused closely on reform and opening up. In line with their actual reality, all localities should strive to attain a relatively high economic growth.

Jiang Zemin stressed the necessity to accelerate a change in the mechanism of large and medium size state enterprises, separate government administration from enterprise management, and introduce enterprises to the market; vigorously promote the tertiary industry and offer more employment in the fields of production and service; create conditions for streamlining the administrative organs; make strenuous efforts to deepen reform,

avoid expanding the scope of investment, and prevent duplicate construction projects and overstocking; and strengthen rural work.

In the course of implementing Deng Xiaoping's important talks, Jiang Zemin said, it is necessary to emancipate the mind, be bolder, take solid steps, and work prudently. We should be bold but cautious, seek truth from facts, and guard against formalism. While further deepening reform and opening up wider to the outside world, he said, the problems encountered will be more complicated. Hence, it is necessary to strengthen unified party leadership, particularly in problems directly involving the vital interests of cadres and the masses. For example, in the streamlining of administrative organs and measures adopted to smash the "three irons," it is necessary to work plans out carefully, first conducting experiments and then prudently implementation them.

Hong Kong Men Comment on Release From Prison

*HK2705031692 Hong Kong SOUTH CHINA
MORNING POST in English 27 May 92 pp 1, 2*

[By Daniel Kwan]

[Text] Two Hong Kong men, freed by Chinese authorities after serving more than two years in a mainland jail for supporting the 1989 democracy movement, said yesterday they did not regret their "crimes".

Lai Pui-shing and Lee Lung-hing, sentenced in 1989 to five- and four-year prison terms respectively for smuggling Chinese dissidents out of the country, were released from Guangdong's Huaiji prison on Monday and taken to Guangzhou.

They are expected to return to Hong Kong later this week.

According to a report released yesterday by the official China News Service [ZHONGGUO XINWEN SHE], the two men were released on bail so they could receive "medical treatment".

"The judiciary in Guangdong have approved bail for Lai Pui-shing and Lee Lung-hing on medical reasons and they are to be deported. This decision has been put into force on Monday," the report said.

Speaking after their release, Lee and Lai both said they would first visit their families in China before returning to the territory.

It is believed Lai would go to Pangyu—a town midway between Guangzhou and Hong Kong—to visit his elderly mother, while Lee would go to Shenzhen where his wife and two-year-old daughter live. Later he will see his parents in Yaxi.

Despite reports the two men suffered depression when they were in jail, both Lee and Lai seemed healthy, happy and well fed.

Although they declined to discuss conditions in jail, it was known they have been kept under solitary confinement for more than a year.

"I am glad that I am now free," Lai said. "I am specially grateful of the concern expressed by Hong Kong citizens."

"I believed the fact that they have let me go was a sign of progress for the Chinese Government. I hope the Chinese Government would continue its present reform and open policy," he added.

Lai was arrested in Zhanjiang—a city near the border between Guangdong and Guangxi—in late 1989 in an attempt to smuggle dissident editors Chen Ziming and Wang Juntao to Hong Kong.

Both Chen and Wang were sentenced in Beijing to 13 years' jail for allegedly being the chief instigators of the 1989 democracy movement.

"I followed the plan and went to Zhanjiang. But I didn't know it was a trap and I was caught on the spot," Lai said.

Lee was arrested when he went to Shenzhen in late 1989 to visit his wife in hospital after she gave birth to their daughter.

Their release came nine months after Hong Kong businessman Luo Hai-xing was freed last September following a visit by British Prime Minister Mr John Major to Beijing.

And Hong Kong activist Lau Shan-ching was freed last December after he served a 10-year sentence.

The four Hong Kong men—Li, Lai, Luo and Lau—were all on a list of political prisoners presented by Mr Major to Chinese premier Mr Li Peng demanding their releases in his Beijing visit.

At least one other Hong Kong citizen, 77-year-old Ng Kwai-kong, is known to be still jailed, in Shaoguan in Guangdong, for allegedly spying for Taiwan.

Ng was reportedly sentenced to five years in jail last year although the report has yet to be confirmed by the Chinese authorities.

According to an informed source, the Hong Kong Government has discussed the cases of seven detained residents with Beijing since the 1989 pro-democracy crackdown.

All except Ng have been freed and it is understood the Government is lobbying for his early release on humanitarian grounds.

However, it was claimed yesterday there were still many prisoners of conscience on the mainland.

Mr Cheung Man-kwong, a local legislator and spokesman for the Hong Kong-based Alliance in Support of the Pro-Democracy Movement in China, said: "The

release of Mr Lee and Mr Lai will be a step forward to alleviate the confrontational relationship between China and Hong Kong as a result of the June 4 massacre.

"But we sincerely hope the Chinese Government will immediately release all other prisoners who are not criminals but have been sent to jail for their political views."

Government Official on Land-Use Management Reform

OW2205141792 Beijing XINHUA in English
1358 GMT 22 May 92

[Text] Zhuhai, May 22 (XINHUA)—China will quicken its steps to reform the administration of land utilisation by adopting new leasing regulations and allowing legal transfer of land-use rights.

At a work meeting held in Zhuhai City in Guangdong Province, an official from the State Land Administration said that the country will replace the old system of free land use with a land transaction market.

He said that the country could boost its revenue by 100 billion yuan annually if the new system comes into effect.

He pointed out that at present the state loses some 80 billion yuan every year because eight percent of the government-allocated land is poorly utilized in urban areas. In addition, some 130,000 ha to 530,000 ha of land is underpriced and large amount of land for business purposes is transferred illegally every year.

Chen Xitong Addresses Flood Control Meeting

OW2305145192 Beijing XINHUA Domestic Service
in Chinese 0248 GMT 23 May 92

[By reporter Li Feng 2621 3536]

[Text] Beijing, 23 May (XINHUA)—In light of the coming rainy season, the Beijing municipal government recently held a meeting on flood control and drought relief. Mayor Chen Xitong urged all departments as well as governments at the district and county levels to make early preparations to get the capital safely through the flood season.

According to a forecast by the Beijing Municipal Meteorological Observatory, most of the city will receive 400-450 mm of rainfall this year, which is normal for Beijing. The rainfall, however, will not be distributed evenly and will be concentrated in certain months, with three or four rainstorms predicted for July and August. According to the municipal bureau of water resources, floods hit Beijing every year, and the past three years have seen two landslides in mountain areas that caused some deaths and injuries. In addition, the Yongding He, one of the four major rivers placed on flood watch by the state, has not experienced any catastrophic flooding for 35 years and should be monitored with extra vigilance.

In view of this situation, the Beijing municipal government urged all concerned to raise their vigilance, sharpen their awareness of the danger of floods, and make all necessary preparations against floods. This year, the municipal flood control command has moved the date for all pertinent departments to enter "combat readiness" against floods up by 15 days to 1 June. So far, all suburban counties basically have stocked up flood-control materials, beefed up communication equipment, repaired flood-damaged facilities, and assigned flood control responsibilities for various sections of major rivers and dams.

Seminar Marks Mao's Yanan Talks Anniversary

OW2305104292 Beijing XINHUA Domestic Service in Chinese 1012 GMT 22 May 92

[Text] Beijing, 22 May (XINHUA)—A "Seminar on Upholding and Developing Mao Zedong's Thought on Literature and Art"—sponsored by the Chinese Writers Association, China Federation of Literary and Art Circles, and the Chinese Art Institute—opened today in Beijing to commemorate the 50th anniversary of Comrade Mao Zedong's "Talks at the Yanan Forum on Literature and Art."

Nearly 100 writers and artists from 15 provinces and cities attended the seminar. Among them are writers or artists of the older generation who personally attended the forum and heard the speeches, artists who made a name for themselves during the periods of the revolutionary war and peacetime construction, and young literary and art workers who have produced acclaimed works during the past decade or so that praise reform and opening up.

Lin Mohan, secretary of the party group of the Chinese Federation of Literary and Art Circles and noted literary theorist, made the opening speech. He pointed out: Under the guidance of the "Talks," excellent literary and art works with good ideological content and artistic quality—as well as writers and artists who are loyal to the people—have emerged in large numbers in the past half century. The "talks" will shine as a truth forever. Lin Mohan held that the correct approach toward Marxism-Leninism-Mao Zedong Thought is to uphold and develop it. In the new period of reform and opening up to the outside world, discussions of the "talks" should focus on applying the basic principles contained in the "talks" in studying new situations and solving new problems in the field of literature and art. He pointed out: Comrade Deng Xiaoping has made outstanding contributions in upholding and developing Mao Zedong's thought on literature and art. Therefore, study of the "Talks" should be integrated with study of Deng Xiaoping's expositions on literature and art as well as the speeches he made during his southern tour.

Lin Mohan contended that the "relationship between literature and art on one hand and the people on the other" is the central idea in the "Talks." Like their predecessors who dedicated themselves to the war of

national liberation, writers and artists today should care about and dedicate themselves to socialist modernization—a cause that has a direct bearing on the people's interest—go to the forefront of reform, opening up, and the four modernizations; merge with the masses; create more works that depict the arduous course as well as the splendid achievements of reform and opening up, and portray the new style socialist man. Lin Mohan emphasized: To fulfill the tasks assigned to writers and artists by the times and to promote a flourishing socialist literature and art, writers and artists must chance unity and forge ahead together under the general objective of building socialism with Chinese characteristics.

Nie Dajiang, deputy head of the Propaganda Department of the CPC Central Committee, and others also attended the opening ceremony.

Annual Meeting on Ancient Books Opens in Beijing

Leaders Write Messages

OW2505143292 Beijing XINHUA in English 1342 GMT 25 May 92

[Text] Beijing, May 25 (XINHUA)—The third national meeting on sorting out and publishing the Chinese ancient books opened here today.

Chinese leaders Jiang Zemin, Li Peng, Song Ping and Li Ruihuan wrote inscriptions and congratulation messages for the meeting.

The one-week meeting will work out the ten-year program and the eighth five-year plan for sorting out and publishing the Chinese ancient books.

The long history of China left over a great number of ancient books. More than 80,000 titles of ancient books have been well preserved. After the founding of New China in 1949, the country has published more than 6,500 titles of ancient books. The ancient book publishing houses have increased from two to 17.

The first and the second meetings of such kind were held in 1962 and 1982 respectively.

Li Tieying Addresses Meeting

OW2605034792 Beijing XINHUA Domestic Service in Chinese 1046 GMT 25 May 92

[Report by RENMIN RIBAO reporter Zhou Qing (0719 1987) and XINHUA reporter Li Guangru (2621 0342 5423)]

[Text] Beijing, 25 May (XINHUA)—The third national meeting on sorting and publishing ancient books, a grand gathering for experts in this regard nationwide, opened in Beijing today.

General Secretary Jiang Zemin wrote words of encouragement for the meeting, which were "sort and publish the ancient books and carry forward the outstanding

cultural heritage of the motherland to build socialism with Chinese characteristics". Premier Li Peng's words of encouragement for the meeting were "let the ancient books serve China's modernization drive." Song Ping and Li Ruihuan also sent congratulatory messages to the meeting.

Our forefathers created the glorious Chinese civilization, and left behind a vast number of ancient books. As history evolves, some 80,000 ancient books have remained to this day. The party and state have accorded great importance to the sorting and publication of ancient books, and the State Council established the planning group for sorting and publishing ancient books in 1958. Since then, it has convened two such meetings in 1962 and 1982. Comrades Qi Yanming and Li Yimang were, respectively, the first and second heads of the State Council planning group for sorting and publishing ancient books.

The efforts of several generations of people have enabled the sorting and publication of ancient Chinese books to take an initial shape. Over the years, the number of publishing houses specializing in ancient books grew from two to 17, forming a contingent of researchers with great potential. The publication of several great classics has won praise both at home and abroad. Since the founding of New China, some 6,500 ancient books have been published, and the number in the last decade was 1.6 times that of the first 32 years.

This morning, Li Tieying, Political Bureau member of the CPC Central Committee and state councilor, came to the Xiangshan Hotel to convey his cordial greetings to the participants on behalf of the State Council.

Ancient books are the tradition, ideology, and culture of the Chinese nation in written form. In his speech, Li Tieying referred to them as "priceless treasures". He said: In building socialism with Chinese characteristics, we must not sever ourselves from history or divorce ourselves from the conditions of the country and people, including that of history and tradition. Among the outstanding tradition, ideology, and culture are many fine things that we can directly and indirectly draw upon during efforts to build the socialist material and spiritual civilizations.

China has the tradition of "revising history in prosperous times", and reform and opening up to the outside world have paved the way for sorting and publishing ancient books. Li Tieying expressed the hope that the participants would seize the opportunity and press ahead for greater achievement. He put forward specific suggestions on how to do a better job in this regard. They are the need to fire the enthusiasm of all people concerned nationwide and to provide strong support in every respect; to have a group of experts and scholars who are willing to dedicate themselves to this cause; and to advocate and pursue meticulous scholarly research in order to consistently improve quality in this regard.

Kuang Yamin, who took over as head of the State Council planning group for sorting and publishing ancient books last year, gave a lecture on the relationship between sorting ancient books to carry forward the distinguished culture of the Chinese nation and building socialism with Chinese characteristics. In his speech, the 86-year-old scholar reminded the participants to heed quality when sorting out ancient books. He said: "A large number of annotated, modern translations, selected and abridged versions of some great and influential works have been published. Many of them are good, but there are some that were completed in a hurry. Under the guise of popularizing traditional culture, some of them even contain gravely feudalistic contents. This has harmed efforts to build a socialist spiritual civilization."

The week-long meeting will study and chart China's 10-year program and Eighth Five-Year Plan for sorting out and publishing ancient Chinese books.

Wang Bingqian, Wang Renzhi, Xu Zhijian, Song Muwen, Chen Changben, Ru Xin, and members and advisors of the State Council planning group for sorting out and publishing ancient books, approximately 100 people, attended today's meeting.

Modern, Contemporary Novelists' Writings Published

OW2405020092 Beijing XINHUA in English
0130 GMT 24 May 92

[Text] Zhengzhou, May 24 (XINHUA)—A huge project in the history of China's literature is well under way as 50 volumes of collections of best known modern and contemporary Chinese novelists have been published.

The publishing project is a key part of the Eighth Five-Year (1991-1995) State Plan on Publications, according to the publisher, the Henan People's Publishing House, which is located in Zhengzhou, capital of central China's Henan Province.

The collections, which have been sponsored by Nankai University in Tianjin municipality, were selected and edited by a group of famous Chinese scholars from across the country.

The Henan Publishing House plans to complete the project in the coming three years in one hundred volumes. Each volume is a collection of selected works of a modern or contemporary Chinese novelist.

Among the 50 volumes that have rolled off the press are collections of best-known novelists such as Lu Xun, Guo Muoruo, Bajin, Bingxin, Xia Yan, Xiao Hong, Wang Meng, Liu Xinwu and Zhang Xianliang.

According to sources, the publication has received warm support from many novelists or their relatives.

Observers say that the publishing of the collections will have a profound effect on the future of the country's literary circles and is of great historical meaning.

Shanghai Paper Stresses Spiritual Construction

OW2405115792 Shanghai JIEFANG RIBAO
in Chinese 18 May 92 p 1

[Unattributed article: "Pay Attention to Both Spiritual and Material Construction"]

[Text] The new situation characterized by accelerating reforms and opening up wider to the outside world has set new and higher demands for socialist spiritual construction. People have become increasingly concerned with whether spiritual construction and material construction can proceed simultaneously.

Assignments of ideological, ethical, educational, scientific, and cultural construction are important parts of spiritual construction. When its economic growth continued to set new records, the Changshu City insisted on attaching great importance to the masses' cultural lives. This has intensified all aspects of spiritual construction in the city. The city has obviously done the right thing with good results.

It seems that it has become increasingly essential for places enjoying fast economic growth to intensify their spiritual construction, and places that are eager to accelerate reforms and open up wider to the outside world to intensify their spiritual construction. Countless facts have indicated that wherever spiritual construction has been effectively intensified, its economic construction and reform and opening-up programs can proceed soundly and reliably; and, of course, it has won the support of the people. On the contrary, if a place pays attention only to economic construction, cares only about about reforms and opening up, ignores spiritual construction, is not resolute in cracking down on crimes and is not earnest in educating people to become people with lofty ideals, knowledge, and sense of ethics and discipline, then its economic construction and its reform and opening-up programs would be seriously affected, its efforts might even be undermined, and it may also have to make detours. We should never take this important matter lightly because it has a close bearing on the success or failure of our socialist cause.

Jiang, Li Write Science Foundation Inscription

OW2605035092 Beijing XINHUA Domestic Service
in Chinese 1430 GMT 25 May 92

[Report by reporter Zhuo Peirong (0587 1014 2837) and trainee Liu Gang (0491 0474)]

[Excerpt] Beijing, 25 May (XINHUA)—Zhang Cunhao, president of the State Natural Sciences Foundation, said today that China will sum up the 10 years of experience in work related to the science foundation, seize the present opportunity to continue to boldly conduct exploration in reform, and fully utilize the foundation mechanism to advance basic research in China.

Zhang Cunhao spoke these words at the press conference to mark the 10th anniversary of the State Natural

Sciences Foundation. Party and state leaders as well as personages from the science and technology circle warmly congratulated the glorious achievements of the science foundation in the past decade. General Secretary Jiang Zemin wrote the title of the book "Selected Cases of Distinguished Success Funded by the State Natural Sciences Foundation." Premier Li Peng wrote the words of encouragement "Successful Experience, Outstanding Achievements; In Commemoration of the 10th Anniversary of the State Natural Sciences Foundation." [passage omitted]

Jiang Writes Name for Beijing Children's City

OW2405045592 Beijing XINHUA Domestic Service
in Chinese 0756 GMT 22 May 92

[Excerpt] Beijing, 22 May (XINHUA)—The 1992 Beijing Children's City, jointly organized by 11 units, including the All-China Women's Federation, the Work Committee for Nurturing the Next Generation, and the Children's Department of the CYL Central Committee, opened at the Agriculture Exhibition Hall today.

The Children's City covers 45,000 square meters, and has eight indoor halls and two open-air activity grounds. It will be the largest venue for children's activities in the capital during the 1 June Children's Day holiday. General Secretary Jiang Zemin personally wrote the name of the city. [passage omitted]

Leaders Greet Nanjing University Anniversary

OW2305092292 Beijing XINHUA Domestic Service
in Chinese 0529 GMT 22 May 92

[By reporter Wang Huitang (3769 1920 1016)]

[Excerpt] Nanjing, 22 May (XINHUA)—A tree has to reach a certain stage of growth to bloom. Among those who have studied at the Nanjing University, more than 100 people have been selected into the Chinese Academy of Sciences as academicians. They are the cream of the Nanjing University alumni.

Recently, on the occasion of the 90th founding anniversary of Nanjing University, Li Tieying, Peng Chong, Yan Jici, Lu Jiaxi, Song Jian, and celebrated scholars and alumni at home and abroad and people from all walks of life, sent congratulatory messages, letters, and inscriptions, highly praising the university's achievements. [passage omitted]

Qiao Shi Writes Tongji University Inscription

OW2305093492 Shanghai WEN HUI BAO in Chinese
18 May 92 p 1

[Report by correspondent Zhong Qin (6988 0530) and reporter Zhang Chengjun (4545 2052 6874): "Qiao Shi Writes Inscription to Mark 85th Founding Anniversary of Tongji University"]

[Excerpt] Breaking up the old scientific and technological system that knew no interdisciplinary contacts, Tongjin University has formed a few research and design "group armies" to take part in the main arena of national economic construction. It has achieved a good reputation among engineering circles with more than 100 excellent engineering designs. Yesterday, the university marked its 85th founding anniversary with a review of those achievements.

Comrade Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee, wrote an inscription commemorating the university's 85th founding anniversary. The inscription reads: "Keep up the glorious tradition, intensify the reform of scientific education, cultivate high-technology experts, and make even greater contributions to the development of socialism with Chinese characteristics." [passage omitted]

Correction to Hong Kong Men Released

CM2705125092

The following correction pertains to the item headlined "Hong Kong Men Who Sheltered Dissidents Released," published in the 26 May China DAILY REPORT, page 24.

Column two, first paragraph, last sentence make read: ...28 months and a little over 19 months early respectively.... (changing "29" to "19," supplying additional material)

Science & Technology

Li Peng Environmental Protection Book Published

OW2605135592 Beijing XINHUA in English
1346 GMT 26 May 92

[Text] Beijing, May 26 (XINHUA)—A book entitled "Li Peng on Environmental Protection With Chinese Characteristics" was published recently by the China Environmental Science Press.

The 130,000-word book contains speeches on environmental protection given by the Chinese leader during meetings of the State Council's Environmental Protection Committee since 1983, as well as those given in national environmental protection meetings and during meetings with foreign guests.

The speeches include discussions related to the guiding lines and policies for environmental protection in China, and reveal the premier's thoughts concerning the country's environmental protection effort.

Wen Jiabao, Song Jian at Technology Conference

OW2705024192 Beijing XINHUA Domestic Service
in Chinese 0941 GMT 26 May 92

[By reporters Li Xiaogang (2621 2556 1511) and Sun Jie (1327 2638)]

[Text] Beijing, 26 May (XINHUA)—Minister of Chemical Industry Gu Xiulian told the Second National Work Conference on Scientific and Technological Advancement in the Chemical Industry, which opened today, that the protection of intellectual property rights and accession to relevant international conventions would pose new challenges to scientific and technological development in the industry and cause many chemical industrial products to face intense competition in terms of variety, quality, and price. Therefore, he said, we must accelerate technological advancement and courageously scale new heights in science and technology.

Gu Xiulian said: Beginning next year, the country will protect the patent rights of chemical substances. In addition, we are still in the process of seeking restoration of our GATT membership. This is both a challenge and an opportunity for us. As we master more and more advanced technologies of an increasingly sophisticated nature, we will have a greater say in the field of science and technology worldwide and will seize an invincible position in international economic competition. This is an important step in our chemical industry's march toward the world and participation in international competition. Besides, should we fail to make significant improvements in some of our existing chemical industrial products, several industries may be driven out of business and some products might still need to be modeled on others. If our research and development fails to keep pace with the needs, the state will have to spend a large amount of foreign exchange on imports. We must quicken the pace of innovation and make breakthroughs and discoveries based on what has already been achieved by imitating and tracking others' products in an effort to evolve our own technology.

Gu Xiulian said: To bring about an early transition of the industry from one relying on imitation to one making innovation and development, a number of major projects must be selected for conducting research on key technological issues. All these projects should set their sights on industrialization and make unified arrangements for research and development, introduction and adaptation of foreign technology, and the design and manufacturing of equipment. We should build a number of engineering development centers, specialized laboratories, and mid-term experiment bases in a planned way. We should accelerate the development and industrialization of high and new chemical technologies, as well as speed up the transformation of research achievements in science and technology. In addition, it is necessary to improve the patent information system: in our chemical industry and set up a patent information bank and a data bank on product mix to facilitate the smooth transition

of scientific research and development in the industry from one relying on imitation to one making innovations.

Wen Jiabao, Song Jian, and others met and posed for a group photo with delegates to the second national conference on scientific and technological advancement in the chemical industry.

Song Jian Inscribes Title of Environmental Book

OW2305062992 Beijing Central People's Radio Network in Mandarin 2230 GMT 21 May 92

[From the "News and Press Review" program]

[Text] A voluminous work that reflects the actual environmental problems within the country, *ZHENGJIU YU MINGYUN [SALVATION AND DESTINY]*, has been published and distributed by the International Culture Corporation. The book was written by the young writers (Dai Shanjun) and (Xu Yongqing). State Councillor Song Jian inscribed the book title.

Tian Jiyun on Water, Soil Conservation as Policy

OW2205144092 Beijing XINHUA in English 1427 GMT 22 May 92

[Text] Beijing, May 22 (XINHUA)—Chinese Vice-Premier Tian Jiyun stressed today that the improvement of water and soil conservation is one of the long-term basic national policies of the country in its efforts to secure sustained economic development.

Tian made the remark at the fifth national meeting on water and soil conservation held in Beijing.

He pointed out that the problem of soil erosion has become one of the major obstacles for the development of the country's agriculture and the national economy.

The vice-premier said that in the past few years the central government has defined 14 severe soil erosion areas throughout the country and set aside special funds to carry out large-scale water and soil conservation projects in these areas.

He reiterated that the problem of soil erosion is still grim and the growth of population and the economy are putting greater pressure on the already-strained water and land resources.

Tian stressed that the country's target in the next decade is to carry out all-round water and soil conservation, and focus efforts on the improvement of seriously eroded areas including those along the Yellow and Yangtze Rivers.

He also urged governments at different levels to act according to the water and soil conservation law and make environmental achievements a factor in the appraisal of local officials.

State Council Plans 25 Power Dams on Huang He

OW2505082992 Beijing Central People's Radio Network in Mandarin 2230 GMT 24 May 92

[By station reporter Lian Jun; from the "News and Press Review" program]

[Text] Based on large volumes of detailed studies and assessments from experts, the State Council has revised its plan for the development of hydroelectric power on the upper reaches of the Huang He. The Council has now decided to build 25 large and medium-sized hydroelectric power stations there. It is expected that hydroelectric power resources on the upper reaches of the river will be fully developed by early in the next century.

The upper reaches of the Huang He have rich hydroelectric power resources because of an abundant and steady water supply. Compared with the old plan, ten more medium-sized hydroelectric power stations will be built under the revised plan.

Over the past 30 years, five hydroelectric power stations—including the Longyangxia, Niujiashan, and Qingtongxia stations—have been built on the upper reaches of the Huang He. The sites for the construction of the new stations have been determined and construction of some stations has already started. Construction of the Lijiaxia Hydroelectric Power Station, which has a generating capacity of two million kilowatts, is now in full swing; and the construction of the Daxia Hydroelectric Power Station, which is known as the Huang He Shisanxia Project within [words indistinct] has also started.

Upon completion, the 25 hydroelectric power stations on the upper reaches of the Huang He will have a total generating capacity of more than 1,520 kilowatts, and their power output will reach 55.7 billion Kilowatt hours annually.

Officials Comment on Daya Bay Nuclear Plant

Human Resources, Safety Stressed

HK2705043592 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1307 GMT 22 May 92

[Text] Hong Kong, 22 May (ZHONGGUO TONGXUN SHE)—Zan Yunlong, general manager of the Guangdong Nuclear Power Joint-Venture Company Limited, indicated that the Daya Bay Nuclear Power Station is in the later period of installation, all work is proceeding as planned, the power station will go into operation in October next year, work being actively done now is strengthening and supplementing human resources and properly handling the nuclear power station's management work, and emergency measures to be used in the nuclear power station have been worked out.

Zan Yunlong said: By the end of April this year, the installation of the Daya Bay Nuclear Power Station's No.

1 generating unit was 84-percent completed and the No. 2 generating unit 56 percent; work concerning the No. 1 generating unit was 98-percent completed, the No. 2 generating unit 88 percent, and other supplementary parts over 92 percent. Joint adjusting and testing will be conducted soon and operation is scheduled for October next year.

Zan Yunlong stressed: Work at the Daya Bay Nuclear Power Station is proceeding according to plan, and efforts are being concentrated on supplementing human resources. According to our plan, 197 more people are necessary, but so far only 135 have been confirmed. The reason for the decrease in the number of hands [ren shou 0086 2087] in some parts of work is that some people have been sent abroad to receive technical maintenance training.

Zan Yunlong continued: Before formally going into operation, the Daya Bay Nuclear Power Station will carry out a general emergency exercise, but the timing has not been set. However, the number of local exercises will increase. Zan Yunlong said: The nuclear power station's emergency plan is first to control [kong zhi 2235 0455] the occurrence of accidents, hoping to adjust to normal as quickly as possible wherever accidents can happen, and to prevent abnormalities from turning into accidents. In case an accident occurs, it should be gradually reduced and prevented from expanding. In addition, it is all the more important to do our best to control the consequences of an accident within a certain scope. Finally, if an accident remains out of control despite implementation of all measures, the nuclear power station will proceed with evacuation work, and so on. All emergency measures will be implemented in line with the regulations of the International Atomic Energy Agency, providing circulars immediately if necessary.

He added: Guangdong and Hong Kong are located in different regions, therefore they will not conduct emergency exercises at the same time. But Guangdong Province will continue to contact and communicate with the relevant Hong Kong department.

Reprocessing Plan Outlined

HK2405023692 Hong Kong SOUTH CHINA
MORNING POST in English 22 May 92 p 5

[By S. Y. Yue]

[Text] Daya Bay experts pledged yesterday that the nuclear power plant would open according to its revised schedule despite delays which have dogged construction.

The chairman of the Guangdong Nuclear Investment, Mr Huang Qitao, said the plant would begin operation in October next year and a re-processing centre was being established in the northwest of the mainland to handle the spent fuel.

Preparations for constructing a pilot re-processing plant with a capacity of 400 kilograms per day were underway. He hoped the plant could be built in 1997.

Mr Huang said the plant would be in Jiangsu province.

Mr Huang said spent nuclear fuel with high radioactivity was usually stored in a pool for 10 years before it was re-processed to extract useful materials.

Therefore, he said, there was plenty of time to build the re-processing plant.

Mr Huang said wastes with low and intermediate radioactivity would be reduced in volume and packed. They would be temporarily stored near the nuclear plant before they were transported to regional disposal sites for final disposal.

"Generally, the storage time is not allowed to exceed five years," Mr Huang said, adding there would be several regional disposal sites in China.

Mr Huang said Guangdong would probably be one of the regional disposal sites.

The general manager of Guangdong Nuclear Power Joint Venture, Mr Zan Yunlong, was confident that electricity could be supplied to Hong Kong from the Daya Bay nuclear plant by October 1993.

Mr Huang said China also wanted to be self-contained in nuclear fuels as far as possible.

He said attention had been paid to development and production of nuclear fuel assemblies since nuclear power construction started.

The production line of nuclear fuel assemblies for the 300-megawatt nuclear plant has been set up in Yibin in Sichuan province.

China's first nuclear plant in Qinshan, Zhejiang, will become fully operational later this year. The second, the Daya Bay nuclear plant, is a joint venture between Hong Kong and China.

Mr Huang said the next stage was to construct the second phase of the Qinshan project.

Mr Huang said China planned to build a second nuclear plant in Guangdong to cope with increasing demand for fuel.

Military

Reportage on Mourning, Cremation of Marshal Nie

Beijing Lowers Flags

OW2505134492 Beijing XINHUA in English
1325 GMT 25 May 92

[Text] Beijing, May 25 (XINHUA)—Beijing is to fly the national flag half-mast tomorrow in the Tiananmen

Square and in front of the Xinhua Gate, the Great Hall of the People and the Foreign Ministry to mourn late Marshal Nie Rongzhen.

Nie Rongzhen, the last of the 10 marshals of the People's Republic of China, died of illness at the age of 93 on May 14 in Beijing.

Marshal Nie was a founder of the People's Liberation Army (PLA). He took part in the Nanchang Uprising of 1927. He was a supreme military commander during the War of Resistance Against Japanese Aggression (1937-1945) and the War of Liberation (1946-1949). After the founding of New China in 1949, he organized the projects to develop missiles and atom bombs and made great contributions to modernization of China's national defence, development of sophisticated weapons and space industry in China.

Deng, Others Send Wreaths

OW2405194592 Beijing XINHUA Domestic Service in Chinese 0951 GMT 24 May 92

[Newsletter by reporters Lu Shunyu (7627 7311 3768) and Xu Jingyue (1776 0079 6460: "Death of Marshal Nie Rongzhen Saddens Entire Country")]

[Excerpts] Beijing, 24 May (XINHUA)—Following his death, soldiers and civilians, throughout the country deeply cherished the memory of Marshal Nie Rongzhen, a great proletarian revolutionary and strategist.

In the past few days many messages of condolence have arrived from the south and north of the country. Many of them read: "Respected and beloved Marshal Nie will forever live in our hearts" and "Marshal Nie, we will forever cherish your memory."

On 15 May, Comrades Deng Xiaoping and Zhuo Lin sent a simple but elegant basket of flowers. The words written on the white satin ribbon attached to the basket read: "Mourn Comrade Rongzhen With Deep Grief." At Marshal Nie's home there were more than 160 baskets of flowers sent by Yang Shangkun, Li Peng, Wang Zhen, and people from various circles at home and abroad.

Ever since Marshal Nie's obituary was released, the dark green gate leading to his home, located in Jingshan East Road, has remained open every day. Thousands of people from various circles, wearing white flowers and black armbands, have come spontaneously to mourn the marshal. [passage omitted]

Zhou Guangzhao, Zhu Guangya, and other noted scientists have also come to the home of Marshal Nie to mourn him. [passage omitted] They said: When Marshal Nie was in charge of science and technology work, he worked very hard both day and night in very difficult conditions, making great contributions to the development of China's science and technology, particularly the research in sophisticated techniques and the development of high technology. He was an important founder of New China's science and technology undertakings.

His death means that China's science and technology circles have lost a leader of noble character and a fine teacher and friend.

Officers and men from the People's Liberation Army [PLA] have also come in uniform to the marshal's home to mourn. They demonstrated the feelings of all the officers and soldiers of the Army: Marshal Nie was one of the founders of the Chinese PLA. Thanks to the marshal's tireless efforts, our Army grew from a small army to a big one and from a weak army to a strong one. The commanders and soldiers of our Army will turn grief into strength; learn from the marshal's noble revolutionary spirit and character; rally closely around the party Central Committee with Comrade Jiang Zemin as the core; escort the quickening of the pace of China's reform, opening to the outside world, and economic development; and work hard to build the Army into a revolutionary, modern, and regular one. [passage omitted]

Streams of people coming to mourn and messages of condolence proved vividly that people cherish the memory of Marshal Nie.

Leaders Attend Cremation

OW2605163392 Beijing XINHUA Domestic Service in Chinese 0937 GMT 26 May 92

[By XINHUA reporter Xu Jingyue (1776 0079 6460) and JIEFANGJUN BAO reporter Yang Xuequan (2799 1331 3123)]

[Text] Beijing, 26 May (XINHUA)—The remains of Marshal Nie Rongzhen, a great proletarian revolutionary and strategist, were cremated today. Party, state, and military leaders bid him farewell this morning.

Marshal Nie's remains lay in state in a small hall of the People's Liberation Army [PLA] General Hospital. Black gauze bails hung over the entrance of the somber and quiet hall. A white streamer with black characters that read "Mourn Comrade Nie Rongzhen With Deep Grief" was hung on the wall at the end of hall.

After 70 years on the revolutionary course, Marshal Nie Rongzhen, who contributed immensely to the founding and construction of New China, lay peacefully amid evergreen trees and flowers. His remains were covered by the red flag of the CPC. A wreath from Marshal Nie's family was placed in front of his remains. The wreath was studded with 93 white flowers, symbolizing Marshal Nie's 93 years of honest and simple life. Soldiers from the PLA honor guard, bearing rifles, silently flanked the remains. Marshal Nie's wife Zhang Ruihua, daughter Nie Li, and other family members held vigil beside the bier.

At 0920, leading Comrades Jiang Zemin, Yang Shangkun, Li Peng, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, Qin Jiwei, Bo Yibo, Song Renqiong, Liu Huaqing, Yang Baibing, Wen Jiabao, Chi Haotian, and Zhao Nanqi walked slowly into the hall amid mourning music to bid farewell to

Marshal Nie's remains. They bowed three times to the remains of the respected marshal, who spent his whole life in the military, and then shook hands with Zhang Ruihua, Nie Li, and other members of Marshal Nie's family to express their cordial regards.

At 0930, eight soldiers from the PLA honor guard, to the slow cadence of the mourning music, lifted the bier with Marshal Nie's remains onto a hearse.

Party, state, and military leaders and Marshal Nie's family emerged slowly from the hall, escorting Marshal Nie's bier as it was lifted onto the hearse.

At 0935, the hearse departed slowly. Party, state, and military leaders saluted the departure solemnly with their gazes.

Comrades Song Ping, Yang Baibing, Wen Jiabao, Chi Haotian, and Zhao Nanqi accompanied Marshal Nie's family in escorting the remains to the Babaoshan Cemetery for Fallen Revolutionaries for cremation.

Some veteran comrades from party, government, military, and science and technology departments, Marshal Nie's friends, and some doctors and nurses from the PLA General Hospital were also on hand to bid Marshal Nie farewell.

While alive, Marshal Nie instructed that his funeral must be simple. He said there should be no memorial meeting and no last tribute ceremony. Everything must be handled according to Central Committee regulations. People can see from his wishes the lofty sentiment and broad vision of a veteran Communist Party member.

Marshal Nie's remains were cremated this afternoon at Babaoshan.

In accordance with Marshal Nie's wishes, some of his ashes were scattered under a cypress tree in the cemetery. The rest will be buried on a certain base under the Commission of Science, Technology, and Industry for National Defense.

National Militia, Reserve Service Conference Ends

SK2605064892 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 24 May 92

[Text] After a six-day session, the national conference on construction of the grass-roots militia organizations and reserve duty forces concluded in the city of Yantai on the afternoon of 24 May. Among those that were commended at the conference were 150 advanced militia units, including the village militia company in Hetou town of Wendeng city in Shandong Province, in honor of their marked achievements in building grass-roots militia and reserve forces.

Attending the closing ceremony of the conference were He Qizong, deputy chief of the General Staff of the General Staff Headquarters of the Chinese Liberation Army; Song Qingwei, political commissar of the Jinan Military Region; Yan Zhuo, deputy commander of the

Jinan Military Region; Yi Yuanqiu, commander of the provincial military district; Liu Guofu, political commissar of the provincial military district; and Zhang Ruifeng, vice governor of the province.

At the conference, He Qizong delivered a summary speech in which he pointed out that under the new situation in which the pace of reform and opening up had been accelerated and economic construction had been pushed forward, it is imperative to foster the concept of achieving harmonious development between national defense construction and economic construction and to uphold the concept of paying simultaneous attention to both economic and national defense construction and of having them help each other forward and achieve harmonious development. In fostering the idea of building strong reserve forces, it is imperative to enhance the concept of carrying out basic construction.

During the conference, the representatives of 10 units, including the Shandong provincial military district, delivered reports on their experience gained in enhancing the construction of grass-roots militia organizations and reserve forces; and the participants paid a visit to units in Yantai city and other places, which had scored higher achievements in building the grass-roots militia organizations and reserve forces, and also discussed and revised the opinions of enhancing the construction of grass-roots militia and reserve forces.

PLA Works in Support of Economic Construction

OW2405112292 Beijing XINHUA Domestic Service in Chinese 0413 GMT 23 May 92

[Text] Beijing, 23 May (XINHUA)—All troops of the People's Liberation Army (PLA) are currently mobilizing more manpower and materials to support national and regional economic construction with high political fervor and enthusiasm as contributions toward accelerating the pace of reform and opening up to the outside world.

According to incomplete statistics compiled by the Air Force; the Navy; the Commission of Science, Technology and Industry for National Defense; the Second Artillery Corps; and relevant departments of major units of Beijing, Shenyang, Jinan, Lanzhou, Guangzhou, Nanjing, and Chengdu Military Regions: all units of the entire Army have undertaken or participated in some 1,200 projects and put in tens of millions of work-days to support economic construction since the beginning of the year.

In the second half of March, units of the Chengdu and Guangdong Military Regions dispatched joint work groups to Zhuhai, Shenzhen, and Guangzhou and aided the construction of five projects, including Guangzhou's Shahe River harnessing project, Shenzhen's Maxie reservoir, the Zhuhai-Qinhuandao highway, western Zhuhai's island-wide embankment, and western Zhuhai's microwave communications line. To support regional economic construction, the Beijing Military Region formulated a plan to put in 3.9 million work-days and has

mobilized 20,000 machines and vehicles this year as contributions toward revitalizing northern China's regional economy. All troops currently have already undertaken some 200 key construction projects and some 1,000 urgent, difficult, hazardous, and tedious public projects.

Apart from continuing to support the construction of the Sanbei shelter-belt, the second phase expansion project of Jinchuan's nickel base, Gansu's "diversion of water into Shaanxi," Yingu highway, the Baozhong railway, and Xinjiang's Tarim oil field, the Lanzhou Military Region's party committee and troops have decided to support the construction of 29 more projects, such as Shaanxi's Xian-Tongguan highway, the Xian-Baoji grade-one highway, Xinjiang's 140,000-tonne ethylene project, and the construction of Yumen city's Tuha oil field in Gansu Province. Various units of the Navy and the Air Force mobilized their vessels and aircraft to shoulder part of the transportation tasks in the efforts to support the construction of key projects.

In their participation in the construction of key projects, the vast number of officers and men brought into play our Army's glorious tradition of fearing no difficulties and dangers in carrying out formidable tasks and waging hard struggles to do practical works. In the Beijing Huangyangtan greening projects, the Beijing Military Region's leadership, officers, and men endured sandstorms to carry out planting; in the Baoding "Hot Spring Town" worksite, the commanders continuously worked in the silt amidst cold winds; in the Datong comprehensive agricultural development project, the officers and men were of one mind and relentlessly waged hard struggles. The Beijing Military Region currently has put some 400,000 work-days into key projects such as the Beijing Airport expansion project, construction of Tianjin's solid steel rod plant, Hebei's Hufeng railway, township development of Manzhouli and Erlianhaote, and Shanxi's 10,000 mu of "double support forest." Jinan's plan to broaden Route No. 7 to meet the requirements of opening up to the outside world is the largest inner city transformation project since liberation. After the project started, Jinan Military Region Commander Zhang Wannian, Political Commissar Song Qingwei, and other leaders led some 2,000 officers and men in volunteer work at the construction site. The Wulichong reservoir project is a major irrigation project of Yunnan Province; after 90 days of hard work, the 1,000-odd officers and men dispatched by a certain troop stationed in Yunnan completed the construction task ahead of schedule at the end of April. The Shenyang Military Region's survey team, which has made outstanding contributions in the Dalian Economic and Technology Development Zone and the Shenyang-Dalian Super Highway projects, continues to work hard; in the first quarter of this year, it has completed survey work for two more major construction projects: the Dalian West Pacific Petrol Chemical Limited Company's 500-tonne refinery and Jinshitan's China International Yacht Club.

While actively supporting national and regional key construction projects, various units of the entire Army also continue to help old revolutionary, minority nationality, poor, and border areas shed poverty. Troops stationed in Xian positively help 33 poor villages in Lantian, Changan, and Liquan Counties carry out medical services and construct hospitals. A certain division in Xinjiang Military District mobilized 1,400 officers and men and some 70 machines and vehicles to participate in the construction of a major state poverty eradication project—the Keluowati Canal construction project. The Ningxia Military District has helped various peasants' committees set up some 80 peasant night schools, established agricultural technical consultation stations, and organized some 6,000 cadres and militiamen to carry out science and technology propaganda activities. Troops stationed in Yimengshan, Dabieshan, and Tongboshan old revolutionary areas and other poor and backward areas are doing wonderful work to help the masses develop the mountainous areas and shed poverty. As of the end of April, troops stationed in Dabieshan have mobilized 15,000 officers and men and several thousand vehicles and machines to help the masses carry out spring production work. A certain unit stationed in Yimengshan organized some 10,000 officers and men to open up the mountain and repair and construct 23 highways, built five bridges, laid some 30,000 meters of communications and power cables, thus linking about 100 villages and enabling the area's vast variety of local and special commodities to be circulated smoothly.

Economic & Agricultural

Chen Yuan Views Domestic Planning, Market

HK2305074192 Beijing JINGJI YANJIU in Chinese
No 2, 20 Feb 92, pp 29-37

[Article by Chen Yuan (7115 0337), son of Chen Yun, CPC Central Advisory Commission chairman and vice governor of People's Bank of China: "Several Questions on Methods and Theory Regarding Studies in Economic Operations in China"—January 1992 revised version—edited by Zhong Cun (1813 1317)]

[Text] I. Identity of Planning and the Market

What kind of relationship is maintained between planning and the market in a socialist national economy? (Planning and the market mentioned here are in the sense of operational mechanisms). There have been countless discussions on the question over the decades and many views have been expressed. People generally observe the relationship as between two independent entities, believing that there is a pure planned economic model and a pure market economic model in the world, and that the task of those practicing socialism is to ingeniously put the two together. This concept occupied a dominant position until the 1984 "Bashan Round" [transliterated name; ba shan lun 1572 1472 6544] International Symposium.

At the first meeting of the Basan Round Symposium held in 1984, the four models of planning and market proposed by Professor Kornai, a Hungarian economist, became the central topic of the symposium, where dualism of planning and the market was expressed to the extreme. Professor Kornai insisted that there are two pure economic models in the world: One is pure planning, which totally rejects the market and contains no market factor, while the other is pure market, which totally rejects planning or at least totally rejects administrative planning. In the practical world, pure planning is practiced in the Soviet Union while pure market is practiced in the United States. There are also some other variations, namely, Eastern Europe and other countries. This theory regards planning and the market as two incompatible things. In other words, there is no identicalness or unity between the two.

Is there any identicalness between planning and the market? I believe there is. First, planning and the market exist interdependently in a modern economy. In any society, economic planning cannot appear in a natural economy. All markets, no matter what kind, constitute a force that is divorced from a natural economy. If the market is regarded as a regulatory means for distributing social resources, it will have even less to do with a natural economy. A mature form of planning and the market can only exist in modern socialized mass production after the industrial revolution.

Second, in a modern economy, planning and the market have always accompanied each other. We have not yet seen a planned model that has no relation at all to the market. When Soviet Russia was born, it practiced military communism for a short while. But soon afterwards, it practiced a new economic policy related to the market. In the Soviet Union's economy later, price, cost, and profit did not withdraw from the stage, nor did the Soviet Union reject the role of the law of value. It just explored the scope and form of its role. Government intervention and planned regulation have always existed in the economic development of Britain and the United States. Britain's textile industry in its early period developed under the powerful administrative protection of the 1700 ban (a decree that limited textile imports from India, Persia, and China). In the United States, regarded as a country of pure market regulation, the government attained its special objective as far back as 1790 by forcibly exchanging bonds through administrative decree. Indirect planning which influences the economy by means of financial and monetary policies has existed all the time. At the Basan Round International Symposium, Tobin [tuo bin 2094 6333], a representative from U.S. economic circles, said that administrative means are sometimes more effective than financial and monetary ones, even in countries with very developed markets.

The question of a pure planning or pure market model existing in China presents even less of a problem. The founders of economic structures never proceeded from concepts. The regulation mechanism adopted by them

depended on the practical conditions of the time. In most of the 1950s, market regulation accounted for a large proportion in the national economy. In the first half of the 1960s, a considerable amount of farm and sideline produce were exchanged through the market. Even during the "Cultural Revolution," exchanges between the state and the peasants were carried out generally according to the market. As to the unrealistic planning which appeared for a time and attempted to include everything, it was a seriously distorted, extreme practice conducted under the historical conditions at that time.

In a broader sense, planning is an arrangement made by people to attain a previously set target. The arrangement is made in advance and is active, scientific, definite, centralized, and unified. However, the market, which serves as a link among numerous economic units, makes arrangements afterwards and is passive and blind. In addition, markets are independent, mutually contradictory, pluralistic, and decentralized.

To determine an economic target, we must carefully observe the activities of numerous economic units and the market is the place for carrying out these activities. Accurate economic information basically originates from the market and market information is quick and objective. Without a market, a planned target cannot be objective. Definite planning derives from the diversified and indefinite market environment. Conversely, a market cannot exist without centralism and planning. The market's definiteness, diversification, and plurality require a unified standard as a precondition and require a specific target as a motive power.

Judging from the global context, the precondition for a modern market's formation and existence is the arrangement of the scope and basic rules of economic links by a political authoritative power [zheng zhi quan wei li liang 2398 3112 2938 1218 0500 6852]. Market activities cannot proceed without this arrangement. The formation of a capitalist unified domestic market takes the bourgeois revolution as a precondition, and the formation of a unified overseas market is an outcome of a world war. As far as various participants of market activities are concerned, external links are unplanned and indefinite. To cope with this indefiniteness, there ought to be a high degree of definiteness and planning within enterprises. The larger an enterprise is, the more it needs planning. Moreover, modern large enterprises cover a very large area of economic life. Within their scope, the allocation of resources is a nonmarket relationship. What is important is that the following situation often exists: An enterprise, a trade, or a country is not the one that brings forth new ideas for a particular kind of product, labor service, or production structure. Here there is the question of taking a shortcut, namely, studying the mature experiences of other enterprises and countries. This time, spontaneity comes in the second place, and artificial active arrangements take a leading role. Therefore, various types of strategic, economic,

guidance, revitalization, and multiplication planning exist in all types of modern economies.

Planning and the market change into their opposite under given conditions. In a certain sense, planning is also a kind of market. The planned allocation of resources must still obey the law of value. In addition, if based on a poor understanding of the market and economic laws, a previously prepared, active plan will be out of touch with reality; lose its initiative; become a blind, passive, and remedial plan; and change to market characteristics in essence. Given the pattern of separation of powers, stratified plans are reflected more as pluralistic, decentralized, partial, independent, mutually conflicting, and blind in characteristics. They are also changing into the market. The definiteness of plans will also become indefinite and blind with a change in time and conditions. Conversely, a large number of random matters on the market will reflect stability and definiteness of a long-term tendency. Under an indefinite market environment, enterprises will naturally demand that their own behavior is planned and definite, and their general demand for planning will appear particularly after a laissez-faire anarchic market eventually leads to a serious crisis.

We can see from this that planning structures the market, and the market seeks help from planning, with each existing in the other. Whenever people can make and need an artificial arrangement, the portion of planning in the economy is reinforced. Whenever there are comparatively more indefinite factors and whenever new ideas are badly needed, the portion of the market in the economy is reinforced. And indefiniteness does not remain unchanged. Once indefiniteness changes to definiteness, the object [ke ti 1356 7555] will call for planning (whatever its form), and when definiteness changes to indefiniteness, the market will become necessary again.

We can thus see that planning and the market are two poles in the modern economy. They are both methods for allocating resources in the modern economy.

In history, things similar to the two poles of planning and the market already existed before the advent of the modern economy. They were the separation and combination in economic life, also called the division of labor and cooperation or coordination, or decentralization and centralization. These two poles exist in all economies and, in reality, they are reflected as the two basic forces of separation and combination. In fact, separation and combination exist in all of socioeconomic life, and all economic activities contain the two elements of separation and combination. However, under a specific historical condition and given a special aim of investigation, one of the two elements will play a leading role. And this determines its nature.

An economic pattern also contains the two poles of separation and combination, and the two basic tendencies of separation and combination. However, the question of which plays the leading role still exists. The

primitive socioeconomic pattern before the Industrial Revolution was inevitably led by a combination. After the Industrial Revolution, the characteristics of division of labor taking a leading role appeared in the economy. That was a negation or abandonment of the combination-led economy.

The modern economy needs overall coordination more and more, and so the combination tendency has objectively been reinforced. It is also reflected as a negation of the economy led by the division of labor. But that is not a simple negation, but the negation of negation. If we say that the primitive combination-led economy before the Industrial Revolution is a thesis [zheng ti 2973 7344] and the economy led by the division of labor is an antithesis [fan ti 0646 7344], then what follows is a synthesis [he ti 0678 7344], namely an economic pattern synthesizing separation and combination.

Here, what is of great significance to us is how China should follow its unique path of integrating planning with the market. The historical starting point of China's modernization process determines our country's Oriental nature, where, objectively speaking, the factors contributing to separation and combination are more concentrated than in the West. As a natural result, the tendency toward combination is more manifest externally in the social economy. Such a unifying factor is a precious historical legacy. To achieve modernization from a backward starting point, China must resort to the safeguard of the unifying forces and take such concentrated strength stemming from the combination as a motive power for development beyond the precapitalist stage. In the course of development, even when industrialization rises and social division of labor deepens in our country, the traits of combination will not disappear. Our country's industrialization course is bound to show features that are different from those in the West, and the development of our country's market is bound to have its unique form. These have been proven by our history. In our country's history, there has never been a stage of market development dominated by separation. Even when separatist regimes were set up in the days of political turbulence, this feature did not change. Furthermore, such a state of separation could never last long and the inherent cohesion would lead to reunification.

Going from the thesis to the synthesis, that is, starting from the relatively backward state in which the division of labor is not highly developed and entering a modern economy with large industries as the basis without going through the primitive initial commodity economy is not just a subjective wish for which there is no logical foundation: The conditions for this change are there. We did not have these conditions decades ago, but through the great practice of our people over the past 40-odd years, one may say that these conditions have now ripened. They include: 1) the expansion of the economic scope and a relatively complete industrial system; 2) initial development of the market, which means that our country's market mechanism has developed considerably after the 10-year development and reform, controls

over the prices of many products have been removed, these products have started to be regulated by the market, and most products are influenced by market prices; and 3) the deepening of international cooperation and the greatly strengthened ties with the world market and cooperation with developed countries as well as other countries around the world.

With regard to the subjective conditions, we have had positive and negative experiences in such major economic issues as planning and the market, and reform and opening up and, in particular, our understanding of planning versus market has come closer to maturity.

Entering the synthesis is not a process of natural history. It requires, first of all, objective conditions and, secondly, subjective endeavor, which means sifting the previous economic system. What is meant by sifting here is selective discarding and retaining. What we should retain is the right to structure the macroeconomic framework on an overall scale and the macroeconomic steering authority over the entire economy. At the microeconomic level, with the economic system maturing, we should also switch from the management of material production to the management of assets and capital. What we should discard is the practice of carrying out day-to-day economic activities by administrative means. We should change the administrative method into an economic method.

However, this is no easy job. Although the majority of the people agree in theory with the reform, the integration of planning and the market, and the effort to follow a socialist road with Chinese characteristics, they nevertheless tend to show partiality in practice. This is mainly expressed in the failure to discard what should be discarded and retain what should be retained. Some people interpret planning in the statement that a commodity economy should have planning, as merely planning for a particular department or locality. What they mean by planning is not macroeconomic guidance, regulation and control, and support, but interregional administrative blockades and small-but-comprehensive administrative arrangements. Under the pretext of planning, they conduct local or departmental administrative protection in reality, scrambling for resources from higher authorities and reinforcing interference at lower levels as a protective measure. The irrational distribution of resources is stabilized by administrative means. In fact, such planning is absolutely not, and cannot possibly be, established on the basis of a unified understanding of the overall economic situation and is more likely to be a partially blind reaction to the market. In this sense, it is not very different from an enterprise's planning. But enterprises are not administrative organizations. Yet the organizations that make these administrative plans can use their administrative power to force through the relatively, or even completely, irrational plans. The severity of the harm so caused exceeds that caused by a lack of planning, leading to much waste and low efficiency.

The commercialization carved up by the small-but-comprehensive administrative planning is a market [as published] with extremely poor fluidity, or just an abnormal market. The commercialization, lacking in competition as a result of the protective administrative carving-up, is harmful. This is a scattered form of commercialization in the same manner as a small-scale peasant economy. This type of commodity economy is in fact an unrestricted inflationary economy [peng zhang jing ji 5191 2195 4842 3444] under the administrative carving-up. If such a transitional economic formation characterized by scrambling for resources through planning and contending for profits through the market does not change within a short time, both planning and the market will disintegrate and the economy will fall into chaos. If we solidify this economic form and regard it as socialism with Chinese characteristics, we will be unable to eventually realize our country's modernization or score victories in international competition. In other words, we will be unable to achieve the change from thesis to synthesis and we will have to pay a high price for this.

In order to accomplish this transformation, we must study the special form and regularity of the movements of the planning-market contradiction at the present stage in our country.

In China, the combination of planning and the market requires not only the fulfillment of macroeconomic control and stability that the developed countries have to achieve after a division of labor is highly developed, but also needs to select a path leading to developed industries, and to acquire the basic guarantees for the existence of, and the preconditions and basic conditions for market growth. That is to say, we enter the synthesis [he ti 0678 7344] not from a decentralization-dominated economy [fen san zhu dao xing jing ji 0433 2414 0031 1418 0992 4842 3444] but from a combination-and-unification-dominated economy [he yu tong yi zhu dao xing jing ji 0678 5280 4827 0001 0031 1418 0992 4842 3444]. This is the special character of the combination of planning and market in our country. This character determines that our planning is combination-and-unification-dominated planning, and our market is a combination-and-unification-dominated market.

Unification domination [tong yi zhu dao 4827 0001 0031 1418] determines the special nature of economic operation in our country, and this special nature also determines the character, content, form, external characteristics, and points and degrees of changes in the combination of planning and market relations.

According to the content of the combination, in our country, planning, which interacts with the market, needs to perform the following functions: First, it will arrange for the means of subsistence for the population of more than 1.1 billion people before anything else; second, it will formulate and regulate the scope, rhythm, and rules of market growth and of changes of interests relations; third, it will select options for the development

of various industries and maintain overall stability in the course of economic growth, industrial formation [chan ye sheng cheng 3934 2814 3932 2052], and structural transformation; fourth, it will regulate and control market activities. The last point is the same as that in the developed countries. The second and third points are similar to the situation in other developing countries, but also include some complicated characteristics unique to a large Oriental country. As for the first point, it is absolutely unique in the world. In our country, the market, which interacts with planning, needs to perform the following functions: First, it will make the division of labor in society more sophisticated, optimize the disposition of resources, and enhance economic efficiency; and second, it will give an impetus to the division of labor that has been developed in the traditional structure and the economic pattern formed on the basis of such division of labor, thus pushing them rapidly into the new stage of market relations and strengthening the unification of the market. Generally speaking, the market always faces a natural economy. However, our market growth has a new starting point, which is the modern industrial foundation built with a centralized and unified force. This is not an economy without any division of labor in society; instead, the division of labor is in a structure that falls short of mature market relations. Sometimes it can achieve extremely strong economic results, but it cannot adapt itself to external changes and may show a tendency toward inflexibility. Therefore, once the industrial system is established, management over materials will be replaced by management over assets and capital. Market growth, helped by this industrial foundation, will restructure the unification of the market, while the unification of the market will then reshape and promote new economic unification and will engender a new form of cohesiveness and a dynamic economic structure.

According to the form of the combination, in our country, planning is divided into direct planning and indirect planning, and the market is divided into the state-unified market and the free market. Indirect planning is adopted by most countries in the world, but this form of planning is still not developed enough in our country and needs to be further developed. Direct planning is a rather unique form of planning in our country (of course, it has also been adopted by other countries in different periods and to different degrees). It plays an effective role of satisfying the subsistence needs of the more than 1.1 billion people in our country and in guaranteeing the normal growth of the industrial structure and the market. It cannot be cast off in China for a long time to come. The free market in our country is a kind of market activity just as in many other countries, but such activity still cannot include all market activities in our country. In the present stage, the scope of some market activities and some participants in market activities still unavoidably bear an administrative tinge. So to a certain extent, the market is still not operating on the basis of a currency. This needs to be changed gradually.

Here, it should be particularly noted that the planning mentioned by us, including both direct and indirect planning, refers to planning in macroeconomic terms. As for planning at lower administrative levels, its blindness will continue to increase along with the market's growth, so its positive significance will continue to decrease. The scope and realm it originally occupied will be returned to the market. The distinction between macroeconomic planning and microeconomic planning must not be blurred by the argument about multi-tiered regulation and control [fen ji tiao kong 0433 4787 6148 2235]. In fact, multi-tiered regulation and control has been proved by the history of China and other countries to be something leading only to chaos in economic life.

According to the external characteristics of the combination, there will appear a "tripod" pattern in the whole economy, which is composed of the economy guided by indirect planning, supported by direct planning, and filled with market activities.

In a dynamic state, the demarcation line between the people's means of subsistence and their means of development may change from time to time. In addition, market growth in our country is also a dynamic process. Therefore, there is no fixed pattern by which to determine what should be included in the scope of direct planning, what should be transferred to indirect planning, how indirect planning should extend into some new sectors and realms, and how the market should expand itself. Everything is undergoing change, and the combination of the three parts should also be changing. We need to continuously explore, grasp, and adjust the points and degrees of the combination.

In the generality, the universality of the contradiction between planning and the market determines the inevitability of the combination between planning and the market, while the particularity of the contradiction determines the special form of their combination. The most outstanding characteristic of the particularity lies in the existence of direct planning and the harmonious coexistence of direct planning and indirect planning, and of direct planning and the market. We can also say that this is the medium stage in the transition from the backward development stage of the "combination" to the new stage of unification with the qualitative attributes of modern industry. Precisely thanks to this medium, the worldwide synthesis [he ti 0678 7344] not only will become a tendency, but will eventually form a new operational pattern.

We can call such an economy in our country a planned economy with a developed market [you fa da shi chang de ji hua jing ji 2589 4099 6671 1579 1034 4104 6060 0439 4842 3444], or an economy with an intergrowth of market and planning [shi chang yu ji hua gong sheng de jing ji 1579 1034 5280 6060 0439 0364 3932 4104 4842 3444]. Here, the market is considered as the basic form for linking all economic units and all entities. The planned economy refers to the state's overall control over the economy. This new pattern is based on the

gradual disappearance of the characteristics of the "material economy [shi wu jing ji 1395 3670 4842 3444]" and on its transformation into management over, and planning of assets and capital.

II. The Operation of the National Economy and Interest Entities

The question of how to study the operation of the national economy in our country as a process of socialist reproduction has not been resolved yet. Many people like to deal with the issue of economic operation simply as a technical and operational issue. They only talk about supply and demand or about production and fulfillment. They do not note the interests contradictions behind economic operations. This way of thinking may hinder the in-depth study of economic operations.

The focus of economic operations studies is the study of the contradictions in economic operations. Therefore, one must objectively acknowledge and correctly understand the contradictions in socialist society. However, the traditional socialist political economy does not focus its studies on the contradictions in socialist economic operations. It holds that the socialist public economy objectively makes the interests of the entire people cohesive; even if there were different interests, they could not be personified under socialist public economic relations. Therefore, in theory, there are no interest entities [li yi zhu ti 0448 4135 0031 7555] in concrete terms in a socialist economy. If there is indeed an interest entity, it can only be the state, which is, however, the representative of all the people. Therefore, the socialist economy in essence is free of contradictions and is completely harmonious. This theory is certainly correct with regard to the nature of a socialist economy. The problem is that such a theoretical conclusion should not be extended into the operational realm of the socialist economy, and should not lead to the inference that different interest entities and consequent interest contradictions do not exist in the operations of a socialist economy. According to such theoretical inference, economic operations as a whole are just the endless cycle of formulating and implementing state plans; as long as the state plans are correct, economic operations will certainly be harmonious and free of contradictions. If there are any interest contradictions in economic operations, they do not exist in the field of production but only in the field of distribution, that is, the contradictions between the state, the collective, and the individual appearing in the course of distribution inside the sole interest entity, namely, the state. The contradictions can be solved by means of the state's internal coordination, so they do not form the main course of economic operation and do not affect the overall harmony of economic operations.

Obviously, economic operation in reality is not as simple as traditional political economy describes. There are contradictions in the course of operations, conflicts between various interests, and interest entities formed on the basis of such contradictions and interests conflicts. The decisive parameters of economic operations

are determined by the relationships between these interest entities; and the orientation, speed, and rhythm of economic operations are also affected by the behavior of these interest entities. This is a fact that has been repeatedly proved over the past more than 40 years since the founding of the PRC. In fact, those who designed and operated the economic structure in our country were aware long ago of the complicated nature of the operation of the national economy from the perspective of operations, and they also understood the contradictions and the interests relations in economic operation. For example, in his essay "On the 10 Major Relationships," Comrade Mao Zedong profoundly expounded this idea. As a matter of fact, we may find that in the practice of economic work over the past decades, actual economic operations in our country were by no means limited to planning work; instead, it included various economic relationships, and primarily the coordination of relations between interest entities.

Marx's methodology for economic research is still of great guiding significance in the study of socialist interest entities. In *Das Kapital*, Marx studied capitalist reproduction with two approaches. He first studied its essential character. Marx abstractly generalized capitalist economic relations as the relationship between wage labor and capital, with workers and capitalists being the personified representatives of that relationship. Their contradiction, according to Marx, is the essential contradiction of capitalism, and it determines the overall operation of social capital and determines the development orientation of the capitalist production mode. However, Marx did not remain at this point. He also studied the aspect of operations. In this aspect, he generalized a number of interest entities that were formed by their different functions in the disposition of resources and in the movement of capital, such as industrial capital, loan capital, commercial capital, and landowners. At the same time, he expounded the idea that the "law of the average rate of profit" is an "automatic regulator" in guaranteeing the operations of a capitalist economy in line with the nature of capital (namely, an equal amount of capital yields an equal amount of profit). Because Marx correctly distinguished the two aspects of social reproduction and scientifically delineated the two types of interest entities, the conclusions he drew could be continuously tested and verified by things in reality that people could actually experience, and this has enabled the research results to go back from an abstract form to a concrete form for the accurate interpretation of the operation of the capitalist economy.

We can learn a great deal from this. When studying socialist reproduction, we should first be aware that reproduction, as a kind of economic activity, unifies the activities of resource disposition and people's activities to seek benefits. The disposition of resources gives expression to material-to-material relations, while people's activities to seek personal benefits give expression to people-to-people relations. While being separated from people's activities to seek personal benefits, the

disposition of resources will never produce any economic dynamism and efficiency.

Indeed, the distinction between the interest entities in the aspect of economic operations and the interest entities with regard to the nature of an economy can be easily lumped together. In order to make it clear, we must make a comparison between the two types of interest entities. What are the interest entities in the aspect of economic operations? In short, they are the independent entities of interests [du li li yi de shi ti 3747 4539 0448 4135 4104 1395 7555] that perform their distinctive functions in the disposition of resources and thus take shape in the operations of the national economy. Obviously, they are absolutely different from the interest entities related to the nature of the economic system. First, the delineation was made from different perspectives. The interest entities related to the nature of the economy are delineated according to the character of ownership of the means of production and the character of income distribution; while the interest entities in the aspect of economic operations are delineated according to their functions and roles in the operations of the national economy. Second, they are related to the disposition of resources in different ways. Although the interest entities related to the nature of the economy do have a certain bearing on the disposition of resources, they mainly determine the nature of resources disposition. In the aspect of operations, consideration is given to issues different from those with regard to the nature of the economy. What is to be solved in the aspect of operations is the issue of how to dispose of economic resources. Therefore, the abstract generalization of resources disposition in the aspect of operations is another kind of generalization, and the issue in this connection is how the interest relations in reality form and fulfill the reasonable disposition of resources. In short, the two types of interest entities take shape in different aspects of reproduction. They cannot replace each other and cannot be lumped together.

Since the beginning of economic restructuring, the characteristic of power-sharing [fen quan 0433 2938] (which is in essence the redistribution of interests) has appeared in economic operations. Having a free hand in economic development and various groups of people seeking the greatest possible benefit for themselves has become one of the basic goals maintained by various interest entities in their operations. In the aspect of overall economic operations, the intermittent overheating of the economy, the difficulty in adjusting the industrial structure, the dispersion and loss of state-controlled resources in various forms and through various channels, the difficulty in putting the state's macroeconomic control measures into practice, the increasing aggravation of contradictions and conflicts in economic operation all have given undisputed expression to the existence and strength of various interest entities. Various interest entities have taken shape and have been developing in straightforward forms, and have gradually become more dynamic in the stimulative process of adopting money more and more

broadly. The pattern with the existence of a variety of interest entities has more and more obviously taken shape in economic operations as a whole.

At present, people have clearly found that there are five major interest entities with substantial influence in economic operations in China, namely, the state, households (residents), enterprises, blocks [kuai kuai 1040 1040] (local governments), and the strips [tiao tiao 2742 2742] (central industrial departments). Only by objectively describing the behavior of these interest entities and understanding their mutual relations can one illustrate the economic operations in our country and its internal mechanisms.

People may have the deepest feelings about the swelling of gross demand. And this is also a longstanding phenomenon in our national economy. Such an economic phenomenon can hardly be explained by the theory of the traditional political economy about the relationship between the state, the collective, and the individual; instead, it must be analyzed with the concept of interest entities.

Of the entities in China's economic operations, namely, the center, the blocks, the strips, the enterprises, and the households, only the center faces pressure to limit the use of resources, and often has to apply the brakes on the economy and pursue economic retrenchment; in contrast the interests of most of the other entities are connected to expansion. Under the conditions of opening up, the households are trying to increase their consumption to the level of the developed countries, and the tides of premature consumption have been surging increasingly. Because accumulation in the enterprises falls short of being a personified force, consumption funds (including wages and welfare expenses) are continuously eroding the accumulation funds. In the past, local governments used to act in economic operations as representatives of the central government; at present, the local governments function more as representatives of local interests. The so-called local interests are in fact an aggregate of the interests of the resident households and enterprises (institutions) in a certain locality. The consumption demands of the residents certainly include reasonable elements, and the investment impulses of the enterprises also contain certain healthy factors. However, this does not mean that all such demands and impulses are completely reasonable and healthy, or are in keeping with the economic development level of our country, or are naturally in line with the law governing the disposition of resources. Under the previous system, the unreasonable and unhealthy elements in such demands and impulses were constrained by administrative means. Now, such administrative means have been discarded because they are no longer suited to the development of the situation, but new means of constraint have not been properly developed, and this has given rise to a vacuum. If the market mechanism were really developed, such demands and impulses would be brought under control. The constraints of the market

mechanism are different from administrative constraints. In the market, no one directly stipulates what should be done and what should not be done. However, no one can guarantee that any demand or impulse will definitely be realized under the market mechanism. If one tries to insist on a certain unreasonable demand or impulse in the market, one will inevitably incur certain economic losses as a punishment, and certain changes will also be brought about in the disposition of resources. In serious cases, the form of the interest entities concerned may also change; for example, there may be enterprise bankruptcy, reorganization, and so on.

In the present economy, the movement of resources is very difficult. The entities are fixed [zhu ti shi gu hu de 0031 7555 2508 0942 0553 4104], and the interests are rigid [li yi shi gang xing de 0448 4135 2508 0474 1840 4104]. Another characteristic of the present pattern of interest entities in our country is the development of decentralization, which is also a kind of pluralization trend. All institutions and entities, and even quasi-institutions and quasi-entities, are trying to turn themselves into interest entities, as long as they are performing or used to perform certain functions. These entities all take planning and market as the arena and means of contending for resources. What they are pursuing is opportunism of sorts with regard to planning and the market [shi xing de shi yi zhong ji hua he shi chang de ji hui zhu yi 1395 5887 4104 2508 0001 4429 6060 0439 0735 1579 1034 4104 2623 2585 0031 5030] under the principle of furthering their interests to a maximum. A large majority of the entities coming into being in this way do not consider how to survive under the functions of the market mechanism; instead, they just try by every possible means to continue their existence by resorting to administrative force. When planning restricts their impulse to expand, they try to use "commodity" relations to break through such constraints; once they find that the market can no longer be the arena for them to scramble for resources but has become a limit to their demands, they will instinctively turn to administrative protection and intervention in an attempt to prevent themselves from being crushed by market forces. The way they come into being is not in line with the constraining terms of the market mechanism so they instinctively fear the market. They thus stress so-called planning, which is in fact their anti-market, blind, and low-level administrative monopoly. It is precisely such planning that has seriously hindered the market's growth. The commodity relations developing under such conditions can only lead to irrepressible expansion, and are just a kind of extremely deformed and merely formalistic commodity relations. Such commodity relations cannot assume a stable state in the end and will only lead to economic disintegration and political crisis. This conclusion has been proved by history, and needs no further meaningless tests.

Since economic overheating and economic expansion are caused by the unreasonable and rigid pattern of interest entities, the restructuring of the interest pattern

is the main means of overcoming the expansion. The restructuring of the interest pattern should first be aimed at breaking the illusion of equality among the various entities over the disposition of resources. It is necessary to clarify that the positions of various entities are determined by the roles and the functions they perform in the course of economic operations. Because various entities play different roles and perform different functions in economic operations, they naturally hold different positions. For example, the central government bears responsibility for directly promoting the development of basic industries, making technological progress, and guaranteeing economic and social stability, and it certainly cannot hold an equal position with enterprises and localities. The status of the local government also should not be equal to that of the enterprises with regard to public works in the locality. However, the local government should not exceed its functions and meddle in many industrial and commercial affairs, and should not use its administrative power to interfere in normal industrial and commercial activities. Enterprises should be really allowed to encounter the market, which causes the good to win and survive and the bad to be eliminated. With various entities being placed in correct positions, the root cause of economic overheating can be eradicated.

III. An Enlightenment From Western Economics: Supply-and-Demand Contradictions and Macroeconomic Regulation and Control

The economic structural changes and the intensified economic opening up since the 1980s have caused more conspicuous ups and downs in China's macroeconomy. We are thus required to carry out thoroughgoing studies as to their causes, mechanisms, and methods of regulation and control. Compared with Western countries, however, we still lag far behind in macroeconomic quantitative analysis as well as in the theory and practice of policy operation. This is precisely the reason why many scholars have turned to modern Western macroeconomic theories since the beginning of reform and opening up, with the hope that they could either find a direct solution among those theories, or use the methods and frameworks to explain China's realities. It can be said that all these efforts have achieved some results; however, there still exist apparent defects in certain macroeconomic theoretical models which took shape in that period. Tracing their roots, these defects are attributable not only to the lack of a thoroughgoing and correct understanding of China's macroeconomy, but also to the ways in which people assimilate modern Western macroeconomic theories and methods.

When facing so many complex schools of modern Western macroeconomic theories, what attitude should we adopt and the elements and factors of which theories should we choose to assimilate?

In the history of economic thought, Keynes' macroeconomic analysis has undoubtedly proved to be a major

breakthrough in research methodology; and his macroeconomic theory undoubtedly provided a new starting point and a new way of thinking for the development of modern macroeconomics. We can even say that the reason why the West could maintain a steady economic growth over a long period of time after World War II was that, besides such factors as scientific and technological progress, Keynes' theory did play an undeniable role in practice.

The following three major questions that China's economy is currently facing bear some resemblance to those Keynes encountered in his day: Do we dare to face squarely and admit the objective possibility and reality of an imbalance or even China's macroeconomy being seriously out of control? What are the inherent mechanisms and deep-level structures that cause the macroeconomic imbalance and periodic fluctuations? What option should we select and what efforts should we make to ensure smooth economic operations and, in particular, to prevent vicious economic shocks, and what role should the state play in this process?

Historical experience and large quantities of proofs and studies have clearly shown that during the entire course of China's macroeconomic operation and growth, there have existed supply-and-demand contradictions [zong liang mao dun 4920 6852 4243 4163], which can even become considerably intensive from time to time. That is to say, different economic systems cannot change the nature of imbalances in modern economic operations; and only the form of the imbalance is changed to a certain extent. If we say that the supply-and-demand imbalance [zong liang fei jun heng 4920 6852 7236 0971 5899] in the Western economy mainly expresses itself in the inadequacy of effective demand, then we can also say that the aggregate imbalance in China's economy is mainly reflected in the undue expansion of total demand and the consequent inadequacy of effective supply. Such supply-and-demand contradictions existed in the past; and exist in the replacement of the old economic structure by a new one; and even for a considerable long period to come, we can hardly extricate ourselves from their disturbances and influence, though the degree of imbalance may be reduced and its external form may change every now and then.

Judging from the angle of macroeconomic operation, an enlightenment we can gain from Keynes is that he dared to face the reality squarely; and what is more important, he pointed out in clear-cut terms that the function of macroeconomic quantitative regulation and control [hong guan zong liang de tiao kong gong neng 1347 6034 4920 6852 4104 6148 2235 0501 5174] can only be performed by the government, not by market mechanisms. This reflects certain common features of modern economies. Ours is a developing country in which industrialization started rather late, and the market is still undergoing development. In China, the state also shoulders the responsibility for industrializing a backward country through catching up with and surpassing the advanced ones by "taking short cuts," as well as the

responsibility for fostering the market. It thus can be seen that in macroeconomic operation, the state is all the more an indispensable actor. The idea of excluding the state from economic operations and turning it into a passive "referee" is just a simplistic copy of the outdated Western economics prevailing several decades ago, without regard to China's national conditions and the development of the Western economy and Western economic thought.

A few years ago, some people called for "rehabilitating Keynes," and called for adopting Keynes' deficit financial policy and expanded monetary policy. Believing financial deficits and credit expansion useful to China, they asserted that "inflation at an appropriate level" would bring about more advantages than disadvantages. As a matter of fact, what they chose to use was exactly the dross of Keynesianism.

In a word, what we should assimilate from Keynes is his analysis of supply-and-demand contradictions in modern macroeconomics, as well as his exposition on bringing the state as an economic entity into the process of modern economic regulation and control; and what we should cast away is his deficit-centered financial policy.

Since the 1960s, a debate has been unfolded on a larger scale in economic circles in the West, thus pushing the study of modern macroeconomic theories and policies to a new stage. The large-scale debate is centered on the ways of approaching and interpreting the newly emerged problem of stagnation in the modern Western economy, as well as the corresponding policies for checking the stagnation. It should be noticed that although this debate is aimed at the modern Western economy and the essence of the theories and policies presented by those involved in the debate is far removed from China's economic realities, considering that many problems under discussion do have some bearing on the common contradictions of macroeconomic operation and management in the modern economy, and that some clues for analysis and some policy conclusions are neutral, it is totally possible, and we also have the conditions, for us to use for reference or assimilate some of the contents. The following points demand special attention:

1. Curbing inflation will be regarded as a priority goal in macroeconomic management. This implies the need to maintain a balanced budget as far as possible, and to oppose the policy of financial deficit. During Germany's recovery period in the wake of World War II, Ludwig Erhard put forward a clear-cut conception that a stable currency should be regarded as a basic human right, and scored great successes. This idea is also applicable to China's present economic situation.

2. When selecting monetary policies for the purpose of preventing inflation and stabilizing economic growth, it is an enlightening point to give prominence to the role of money supply. The two major schools of Western economics which respectively stress interest rates and

money "supply" are both of considerable theoretical significance. However, judging from China's present situation, it is of greater practical significance to pay more attention to money supply in our monetary policies. In this field, many monetarist analyses merit special attention.

3. Attention should also be paid to the school advocating the theory of rational expectation and the supply-side economics school, for both of them stress the need to attach importance to studying the microeconomic elements in macroeconomics.

In contrast to the aforementioned attitude toward Keynesianism, when some people in our country show favor toward the monetarist school and the supply-side economics school, they set store by their laissez-faire economic philosophy rather than their policies for checking inflation; and the laissez-faire economic philosophy is precisely something which does not work in China. If we can put right this incorrect montage, that is, discard Keynes' expansion policy aimed at stimulating total demand, but use for reference his methodology of attaching importance to aggregate quantity and state intervention; and cast away the laissez-faire economic philosophy advocated by Milton Friedman and others, but use for reference their policies and suggestions on stabilizing currency, keeping an appropriate control over total demand, and increasing supply, we will surely discover that Western economics can be turned to serve our socialist construction.

In brief, the currency stability attained through balanced financial policies, cautious monetary policies, and effective state intervention provides the best macroeconomic environment not only for economic development under all kinds of systems, but also for China's economic development and deepening of reform. This has been repeatedly proved by the history of China and other countries.

Official on Zhu Jiang Delta-Hong Kong Alliance

*HK2405062892 Hong Kong TA KUNG PAO in Chinese
15 May 92 p 2*

["Special interview" by staff reporter He Sui-i (0149 4482 1837): "Allied Economic Relations Between Guangdong and Hong Kong—an Interview With Wu Mingyu, Deputy Director of the State Council Economic Development Research Center"]

[Text] Guangzhou, 14 May (TA KUNG PAO)—Recently, Wu Mingyu, deputy director of the State Council Economic Development Research Center, went south from Beijing and made a special trip to Zhongshan, Guangdong, to attend a symposium on economic development in the Zhu Jiang delta. Although he spent merely half a day in the symposium, he set forth a fresh and new view, that is, the Zhu Jiang delta and Hong Kong can form an economic alliance to apply the idea of "one country, two systems" in the economic realm.

Zhu Jiang Delta and Hong Kong Exist Side by Side and Enjoy Common Prosperity

Wu Mingyu said: It is very appropriate to liken the economic relations between the Zhu Jiang delta and Hong Kong to a "mutual dependence between lips and teeth." The Zhu Jiang delta rises in reform and opening up and its achievements should be attributed to the significant role Hong Kong plays; and Hong Kong's continuous economic growth and changes in its industrial structure in the past dozen years are closely linked with the Zhu Jiang delta's rapid development. However, it will be alright if such economic relations are regarded as a regional community or a common market. As far as long-term objectives are concerned, it will be even more significant if a new economic alliance can be formed.

Wu Mingyu pointed out: The Zhu Jiang delta's economic system and mode of operation structure is quite different from Hong Kong economy and society. However, in the past dozen of years, the two have cooperated perfectly with each other and supported and helped each other, thus facilitating common economic growth. This experience and result is unique both at home and in the international community.

With regard to the issue forwarded by Mainland Chinese theoretical circles of reevaluation of contemporary capitalism and socialism, Wu Mingyu pointed out: The Zhu Jiang delta and Hong Kong can cast aside political factors to achieve common prosperity and peaceful coexistence in the economic realm under different systems and ideologies, and the implementation of the policy of "one country, two systems" within Zhu Jiang delta as a specific area is considerably significant to the world as well.

He said: Now that a total of 58 self-proclaimed "socialist" viewpoints and models exist in the world, which are incompatible with other antagonistic factions, the practical experience of coexistence and common prosperity between the Zhu Jiang delta and Hong Kong through close economic cooperation is certainly a model worthy of reference.

Guangdong Serves as a Bridge

Wu Mingyu expressed his personal disagreement regarding the viewpoint that holds that Guangdong should, from now on, enhance its heavy and chemical industries to reserve more strength for development. He said: It is possible to develop some heavy and chemical industries in the Zhu Jiang delta, but they cannot serve as Guangdong's backbone industries because, apart from pollution problems, the province is not a source of raw materials, and also, a province cannot possibly be built into an all-encompassing large industrial system.

Since Hong Kong, which is adjacent to Guangdong, is an international financial and trade center, he felt that the authorities should make the best use of the situation and develop in the Zhu Jiang delta industries that will serve

as "windows" and "bridges" linking the Chinese hinterland with Hong Kong and the world. Guangdong has made some very successful attempts in this regard.

Wu Mingyu expressly stated: Now that Hong Kong can invest in Guangdong on a massive scale, there is no reason why Guangdong cannot play a similar role in starting investment projects in other provinces by capitalizing on the convenience of raising funds and gathering overseas information. Now that a large number of laborers from other parts of the country have flocked to Guangdong seeking employment, there is no reason why Guangdong cannot penetrate into the hinterland to run factories and employ labor there.

Guangdong and Shanghai Have Their Own Characteristics

Some experts and some people from townships and towns in the Zhu Jiang delta consider Wu Mingyu's proposal desirable and his idea novel, even though it is a mere outline.

This reporter posed a question to Wu Mingyu: The central authorities have laid down the goal that Guangdong will surpass Asia's four little dragons in 20 years, and Shanghai is also a key area of China's reform and opening up in the days to come. Is there any marked difference between the two places in terms of their opening levels and characteristics?

Wu Mingyu said: Being a traditional industrialized city, Shanghai has developed into a sizable heavy and chemical industrial base, it goes without saying that such industries as chemical fiber, food, light industry, and pharmaceuticals are developed, and even some large industries, including aircraft building, automobile manufacturing, and iron and steel industry, have developed under state protection. However, heavy and chemical industries are of less weight in Guangdong, and the province's reserve force for science and technology is not as rich as in Shanghai. Hence, their respective starting points and bases are markedly different.

However, he also pointed out that Shanghai's tertiary industry is not as developed as Guangdong's. The proportion of tertiary industry to the entire industrial production in Shanghai is only 3 percent of the total, but the corresponding figure in Guangdong is 50 percent. Shanghai's opening up to the outside world, as described by Wu, lacks a regular "partner," but complementary cooperation has already been launched between Guangdong and Hong Kong and Macao, between Dalian and Japan, between Shandong and South Korea, between Fujian and Taiwan, and so on. Facing the Pacific Ocean,

Shanghai has an opportunity to "marry" and cooperate with large international enterprises and consortia. This is an important difference between Guangdong and Shanghai in terms of their opening up strategies.

Wu Mingyu pointed out: As determined by various factors in the past, Shanghai's old system has a very firm foundation; besides, Shanghai is situated at the center of China's coastal belt, a condition which makes it very influential. Hence, only when Shanghai has succeeded in reform can China's reform be described as successful.

Inner Mongolia Expands CIS, Mongolia Trade

*HK2405043292 Beijing RENMIN RIBAO in Chinese
13 May 92 p 1*

[Dispatch by reporters Ao Teng (0277 7506), Wang Xuexiao (3769 1331 1321): "Inner Mongolia Makes New Layout for Its Border Trade"]

[Text] Hohhot, 12 May (RENMIN RIBAO)—In an effort to accelerate its pace of opening up, the Inner Mongolia Autonomous Region has made a new border trade arrangement for developing trade contacts with neighboring countries, and for welcoming domestic and foreign manufacturers and businessmen to participate in deals that enable "everybody to make a fortune and me to make a big fortune."

In the past, there were only railway ports for transit cargo between Inner Mongolia and Russia, Mongolia, and other CIS countries. With the expansion of border trade activities, the relevant departments conducted a series of technical transformation and extensions for the railway ports and increased the capacity for handling transit cargo. Recently, they opened many highway, waterway, and aviation ports and established intercity trade zones between Manzhouli and Zabajkalsk, Russia; between Erenhot and Dзамын Uud, Mongolia; between Ergun Youqi, Hulun Buir Meng, and Russia's counterpart city. Hohhot's Minzu market established Chinese commodities streets in a number of places in Russia, such as Chita Prefecture [zhou 1558].

Inner Mongolia's effort to accelerate the pace of its opening up has brought about three major changes to its foreign trade: from pure commodity trade to multifunctional operations incorporating economics and trade, from unvaried spot-exchange import and export to international economic and trade activities in various forms, and from the ordinary scope and method of foreign economic and trade operations to larger-scale foreign economic and trade operations, large market, and macrocirculation.

East Region

ANHUI RIBAO Endorses Enterprise Reforms

OW2305060692 Hefei ANHUI RIBAO in Chinese
15 May 92 p 1

[ANHUI RIBAO commentator's article: "Unswervingly Advance the Three Structural Reforms of Enterprises"]

[Text] Reforming the labor, personnel, and wage systems of enterprises is a key measure to transforming the operating mechanisms of enterprises and move them toward the market. This measure's basic purpose is to impel the vast number of workers and staff members to work harder and better use their intelligence and wisdom to create greater wealth for the state and more income for themselves. This is an important matter that concerns the fundamental interests of the working class. The three structural reforms have produced tangible results in practice. In Xuzhou—the first city in the country to carry out such reforms—industrial enterprises covered by the budget increased their total sales revenue in the first quarter of this year by 18 percent and almost doubled their profits over the same period last year. From January through April of this year, similar industrial enterprises of Hefei, which has made an early start and good progress in reforming the three enterprise systems, recorded an 18.7 percent increase in sales revenue, a growth of 36.9 percent in profits, and a drop of 13 percent in the proportion of individual enterprises operating in the red over the corresponding period last year. The reforms have brought even greater changes to the mental attitude of the vast contingent of workers and staff members. Practice proved that the three structural reforms of enterprises are very effective.

All in all, the province has made relatively rapid progress in reforming the three enterprise systems, and a majority of the localities showed a positive attitude and did a solid job. Nevertheless, there are still some localities that have not paid enough attention to the work. Some of them dare not make a move because of a lack of clear understanding, misgivings in their minds, and a fear of difficulties. Others are afraid that those who make ostentatious displays could end up being victims, and, therefore, they are passively waiting for others to make the first move, for higher authorities to implement specific measures, and for the external environment to improve. Leaders at various levels should make a serious study of these problems and tailor the remedy to the case in seeking an early solution.

As the three structural reforms of enterprises concern the immediate interests of every cadre, worker, and staff member of the enterprises and a variety of social aspects, they are indeed difficult to carry out. Nevertheless, we would face even greater difficulties should we shy away from them. As for the current state of state-run enterprises in the province, the proportion of those running at a loss was nearly 45 percent during the period from last January through April, although this was 7 percent lower

than the figure recorded during the same period last year when the total amount of loss topped 15.6 percent. No doubt there are many factors contributing to enterprise deficits, but the main reason remains the failure to resolve such long-standing drawbacks as an operating mechanism that lacks vitality, an inflexible system of cadre appointment, an ineffective employment system, the lack of performance-based incentives, as well as the bureaucratization of enterprises. If this situation drags on, problems such as enterprise losses will only worsen. Judging from the trend of development, it is already an imminent task to push enterprises toward the market and let them seek a way out and pursue development amid fierce market competition. Therefore, we must maintain a sense of urgency in transforming the operating mechanisms of enterprises, and we should leave no room for hesitation, wavering, or a wait-and-see attitude. We must act in accordance with the guidelines of Comrade Deng Xiaoping's speeches during his trip to South China and the arrangements by the Sixth Plenary Session of the Fifth Provincial Party Committee in a bid to implement and unswervingly advance the three structural reforms of enterprises before it is too late.

Xiamen Cracks 'Serious' Drug-Trafficking Case

HK2705071592 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 22 May 92 p 3

[By Min An (7036 1344) and Min Wen (7036 2429): "Xiamen Cracks Major Drug Trafficking Case Involving Taiwan Lawbreakers"]

[Text] Through thorough investigation, the Xiamen City Public Security Bureau this month cracked a particularly serious drug-trafficking case involving some lawbreaking people from Taiwan and seized 4,799 grams of heroin. All eight drug traffickers were arrested.

It is learned that the case was one in which the Fujian Province public security organs had seized the largest quantity of drugs in recent years. At present, the case is still under further investigation and handling.

Article Urges Awareness of Opportunities

OW2405164692 Shanghai JIEFANG RIBAO in Chinese
18 May 92 p 2

["JIEFANG FORUM" article by Zhong Hua (6850 5478): "Awareness of Opportunities"]

[Text] He who can grasp favorable opportunities will win the initiative in self-development. This is the secret to success in many countries and regions throughout the world in achieving economic progress. It could be termed an open secret.

Opportunity, though invisible and intangible, is real in an objective sense. It can be found in favorable conditions and opportunities for local or regional development provided by changes in the overall situation, macroeconomics, and the vast external environment.

Opportunity has four distinctive characteristics: 1) Objectivity. Opportunity is not at all mystical. Every change in the macro environment will certain create certain favorable opportunities or exert unfavorable influence on the micro environment. This creates opportunities and challenges. The rise of the "four little Asian dragons" is attributable to their grabbing opportunity afforded by restructuring of industry in developing countries and the transfer of labor-intensive industries to developing countries in the 1970's. 2) Changeability. Opportunity is like meteors in the night sky—it usually comes quickly and lasts for a brief time. As such, the ability to seize opportunity is tied securely to competitiveness. Swift action ensures success, while slow reaction leads to a lifetime of regrets. We lost two opportunities in the 1960's and 1970's. A review of our situation at the end of the "Cultural Revolution" showed that we had once again fallen far behind others. We need not look far for a lesson and hence must keep it firmly in our hearts. 3) Fairness. Opportunities falling within a certain timeframe and scope are basically similar. They do not discriminate on grounds of kinship, wealth, or scale. But "opportunity is partial to a well-prepared brain." Newton discovered the law of gravity when an apple fell on his head. If it had fallen on someone else's head, nothing would have been discovered. This is known as "the ability to understand a flash of inspiration." 4) Risk. Opportunity changes rapidly. Objective matters cannot immediately seem clear amid changes, while appropriate actions must be taken quickly. This invariably makes strategies needed to grab opportunity into risky strategies. Opportunity coexists with challenge. Successes and mistakes coexist. But wise people would rather risk mistakes than letting opportunity pass them by. Mistakes can be corrected, but opportunity will never strike twice. With this understanding, the people will discover that Shanghai is currently faced with a rare golden opportunity. From the perspective of the international macro environment, the world is currently in a turbulent period. The old order is fast dissolving, while a new order has yet to be established. Amid the intrigues of frantic changes in the international situation, competition among various forces is developing in the direction of a multipolar structure. This scenario is a challenge, as well as an opportunity for numerous countries to rise and develop themselves. It has brought China a more favorable external environment. Coupled with China's stable internal situation, prosperous market, and broader supply and demand, a mutually stimulating external and internal environment is created, which in turn provides great opportunities for self-development. In Shanghai's case, two exceptional opportunities prevail: 1) The party Central Committee has decided to develop Pudong in the 1990's and to have it lead economic development in seven provinces and cities along the Changjiang. Since Pudong is in Shanghai, its development will surely serve to revitalize Shanghai. 2) The state is currently waging big efforts to revitalize and improve state-run large- and medium-sized enterprises. Shanghai has a high concentration of large- and medium-sized enterprises, more than three times the national

average. The revitalization of large- and medium-sized enterprises will surely also contribute immensely to the cause of "revitalizing Shanghai." These factors show us that either in terms of the international environment or in terms of internal situation, this is the most favorable opportunity for us to hasten the pace of reform and opening up wider to the outside world.

"The wise man moves quickly and does not let opportunity pass him by." At present, the key is to enhance awareness of opportunity, to treasure this historic golden opportunity, and to go all out and do practical work. Deepening reform and opening to the outside world is like an excellent move in chess. We should use reform to rid ourselves of malpractices, to enhance vitality, and to upgrade our personal qualities. We must use opening to the outside world to open up our eyes and to attract foreign assistance. In the face of world trends, it is of utmost importance to have all district and county bureaus, large- and medium-sized enterprises, and units make all-out efforts to vigorously do practical work. Many districts and departments have successively introduced comprehensive plans, eight-point concepts, or 10-point measures to further promote reform and opening to the outside world. The most encouraging sign is that many leading comrades have moved to the front lines with a participatory attitude to direct comprehensive struggles. With perseverance we shall effect a major change every year and scale a new height every three years. The goal of developing Pudong and revitalizing ourselves will be successfully attained in no time.

Zhejiang Signs Contract With Land Developers

OW2705093592 Beijing XINHUA in English
0917 GMT 27 May 92

[Text] Ningbo, May 27 (XINHUA)—A 50-year contract has been signed here today for the first phase development of 1.3 square kilometers of land in East China's Zhejiang Province—the largest single plot to be developed in this way so far in China.

The first stage includes the development of an area of 250,000 sq. m. located in the eastern part of Beilun industrial zone in Ningbo.

The developers are the Pacific Land Construction Corporation Ltd. of Hong Kong and the investment is valued at 100 million Hong Kong dollars. The land should be ready for the first group of investors in about four months.

Central-South Region

Guangdong Nuclear Official on Emergency Plans

HK2605125692 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1205 GMT 22 May 92

[Text] Hong Kong, 22 May (ZHONGGUO TONGXUN SHE)—Wu Xiyuan, vice chairman of the Guangdong Nuclear Power Station Emergency Commission, said

that the commission will hold a meeting with the relevant Hong Kong department in mid-June to work out the agenda for bilateral discussions at a meeting on the nuclear power station's emergency plan to be held later, adding that the details of the emergency plan will be further discussed after the meeting.

Wu Xiyuan indicated that emergency work to handle accidents in the Guangdong Nuclear Power Station is of a guidance nature, which includes how to evacuate the masses, how to control traffic, how to examine food, and how to provide medical protection. Future emergency exercises will be conducted in departments and will not disturb the public. The Emergency Commission will base itself on the International Nuclear Notification Convention in informing Hong Kong. Both sides will hold a meeting in the future to discuss a detailed program on the method and scope for links between the two sides. But one point is certain, all emergency measures will be made ready before the Daya Bay Nuclear Power Station goes into operation.

Hong Kong drew up a nuclear accident emergency exercise [plan] earlier, but Guangdong has delayed drawing up an emergency exercise plan. On whether or not this portrays the relevant Guangdong department's sluggishness in work, Wu Xiyuan denied this allegation and pointed out that Guangdong is quite particular about drawing up an emergency plan and that Guangdong and Hong Kong should learn from each other and exchange their experiences.

Wu Xiyuan added: The Emergency Commission has nine emergency groups and two city-level offices. These groups are: An emergency monitoring group, an emergency communications group, an emergency medical relief and radiation prevention group, an emergency security and traffic control group, an emergency pollution removal and sterilization group, an emergency education and information group, an emergency take-cover, evacuation, and settlement group, an emergency transportation and logistics supply group, and an emergency meteorological group. The two city-level offices are the Shenzhen City and Huizhou City emergency offices. These organizations have their own responsibilities and duties.

Wu Xiyuan stressed: The emergency plan to be used in the nuclear power station has long been approved by the state. As the emergency plan for outside the nuclear power station involves complicated operational matters, different kinds of surveys will be conducted before the entire plan can be completed. Emergency work in other aspects is proceeding in an all-round way, mainly including public education, training personnel, and installation of facilities and equipment.

Guangzhou Horse Races 'Product of Reform'

HK2705070992 Beijing ZHONGGUO XINWEN SHE
in Chinese 1234 GMT 22 May 92

["Weekend Sidelight Commentary" by Chen Jia (7115 0163)]

[Text] Guangzhou, 22 May (ZHONGGUO XINWEN SHE)—The Guangdong people dare to do things earliest of all. Six years ago, a body-building contest was first held in Shenzhen, and the "bikini" whirlwind swept the mainland. This year, a horse race was introduced for the first time in Guangdong by the provincial Physical Culture and Sports Committee, which caused a sensation both at home and abroad.

A China watcher here believes that the great significance of it lies in the fact that behind the body-building contest and horse-racing, one can see the Guangdong people's boldness of vision characterized by their daring to pioneer a cause and their courage in reform.

To cover the body-building contest that year, 800 reporters came swarming to Shenzhen and, for the horse-racing in Guangzhou this time, the number of reporters was five times that of the competitors. Apart from reporters from mainland newspapers, radio stations, and news agencies; reporters from the United States, France, Japan, Hong Kong, Macao, and Taiwan also came in an endless stream.

Judging from the reports on the horse-racing, almost all the domestic and overseas news media sang the praises in chorus, thinking that the Guangzhou horse races are a product of reform and also a tremendous breakthrough. Many Hong Kong and Macao newspapers carried commentaries on their special pages on the event.

The Guangzhou horse races suddenly became the media's focus of attention at home and abroad, because this was the first time a speed-race of horsemanship with international criteria was held, the first time handsome awards were granted to the winners, and the first time big lucky prizes were drawn for the spectators.

Horse racing is a special product of some capitalist countries, but can socialist China introduce it? With what manner should the racing course be run to continue horse-racing? A number of problems have yet to be appropriately resolved.

Quite obviously, what is particularly concerned about at home and abroad is the word "gambling" outside the racing course. Although the Guangdong Provincial Physical Culture and Sports Committee officials claimed that the horse races were aimed at building a "horsemanship base," still a lot of people in society are not really interested in the "horses." Again, it has yet to be studied as to what pattern should be employed to give prizes so that it will better conform to the objective law.

After Deng Xiaoping's remarks during his south China tour were published, it made a stir in various quarters of society, and people were driven by an impulse itching to run into forbidden areas. Guangzhou Mayor Li Ziliu said, we should not consider the question of being socialist or capitalist in nature before starting up a racing course. It is mainly aimed at setting up a recreational center for horse racing to attract an audience to raise social welfare funds.

The preparatory process of constructing the second racing course in Guangzhou was precisely "feeling the stones to wade across a river." At first, the preparation work was to be done in the dark until it was completed. But, earlier this year, the atmosphere of reform became intense and, when this construction plan was discussed at the Guangzhou City People's Congress and the Chinese People's Political Consultative Conference Guangzhou City Committee sessions, it was well received by various social sectors, hence, the important figures of the city government eventually hammered out the key note and it was then settled.

Construction for Guangzhou's second racing course broke ground 10 May, and it is expected that the first horse race there will be held in October. The methods for attracting an audience remain a secret. It is still unknown whether they will be in the form of lottery tickets or betting, but there is one point that is certain, namely, the way to give out winning prizes will be more advanced than that at the first racing course.

Recently, it was reported that suggestions for building horse-racing course were forwarded in Hainan, Fujian, and Shanghai, which looks like a "fever." Experts concerned feel that boldly introducing some capitalist things to serve socialism is beyond reproach. Take horse-racing as an example, it enriches the masses' cultural life at leisure time, which both adds colors to people's entertainment and raises large amounts of funds for society. Why not go ahead with it?

Of course, there are both advantages and disadvantages in any newly emerging thing. The crux lies in how we can tighten the control over them, developing their strong points, and avoiding their weak ones. We must have courage to break new paths, otherwise, we will accomplish nothing.

Correction—Guangdong To Open Wider

HK2205124892

The following correction pertains to the item headlined "Guangdong Vows To Open Wider to Outside World," published in the 19 May China DAILY REPORT, page 49:

Page 50, column one, first subhead, make read: ...Hengqin Island, and Guangzhou Nansha Key Regions for...(correcting place name).

Same page, same column, second paragraph, first sentence make read: ...Hengqin Island, and Guangzhou Nansha [industrial development zone owned by Hong Kong businessman Henry Fok] key regions for...(correcting place name and providing editorial note).

Same page, same column, same paragraph, second sentence, make read: ...seaside tourism; and Guangzhou Nansha should develop into...(correcting place name).

Deng Hongxun Talks About Yangpu Development

HK2705090792 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 18 May 92

[Text] On the morning of 17 May, [Hainan Provincial CPC Secretary] Deng Hongxun led a provincial economic inspection group bound for Singapore and Thailand. Before departure, he told reporters in a VIP room in Haikou Airport that he had recently met with Mr (Yu Yuen-ping) to talk about the work regarding the development of Yangpu. Mr (Yu) stated that all preparatory work for the development of Yangpu is in full swing. He predicted that the project could be officially started in June or July this year.

Deng Hongxun emphasized: The large-scale development of Yangpu is Hainan's typical project reflecting the expansion of its opening up. Our province will go all out to display coordination for the project. After achieving experiences through the development of Yangpu, our province will further expedite its pace in making use of foreign capital to promote large-scale development.

Henan Inspection Group Returns From Guangdong

HK2705081292 Zhengzhou Henan People's Radio
Network in Mandarin 1030 GMT 18 May 92

[Text] The Henan provincial inspection group headed by Hou Zongbin, provincial party secretary, and Li Changchun, provincial party deputy secretary and vice governor, recently returned to Zhengzhou after completing its inspection tour in Guangdong. Group members included Song Zhaosu, member of the provincial CPC Committee Standing Committee and vice governor, and the main responsible comrades from various cities, prefectures, and from relevant departments directly under provincial authorities. Through their 13-day study and inspection tour, all group members have deepened their understanding of Comrade Deng Xiaoping's important remarks. They maintain: To speed up the invigoration of Henan's economy, we must dare to take risks and break through, work in a down-to-earth and ingenious way, and learn from Guangdong's experiences. We must make efforts to push Henan's economy to a new stage.

Starting 3 May, the inspection group successively inspected economic development zones and advanced enterprises in cities and counties, including Guangzhou, Foshan, Nanhai, Heshan, Jiangmen, Zhongshan, Zhuhai, Shenzhen, Huizhou, Dongguan, and Panyu, and learned from their experiences. Through what they had witnessed and heard, group members stressed: Guangdong's successful experience in rapid economic development lie in: First, the province has persisted in taking economic construction as a center, feared no slanderous talk or gossip, and overcame all kinds of interference. The entire party and the whole province have exerted their concerted efforts to boost the economy. Second, Guangdong has emancipated its mind and avoided the debate on the surname of capitalism or socialism. The province believes that it

can use all civilized achievements made by mankind. It dares to break through and try whatever is beneficial to the socialist productive forces' development. Third, the province has proceeded from reality to use its strong points in environment and adopt flexible and appropriate methods to attract capital for construction. And, fourth, cadres are pushed to the forefront of economic construction. Those who support reform, exert efforts to make explorations, and achieve good results are regarded as good cadres. This has enabled them to make a big step in carrying out explorations.

Inspection group members stated: Although the inspection program was obviously packed, the achievements were great. We must bring home those good experiences and methods, and absorb them one by one to accelerate the invigoration of Henan's economy.

Guo Shuyan Leads Economic Delegation to Canada

HK2605113892 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 17 May 92

[Text] At the invitation of Canada's British Columbia Provincial Government and Quebec Provincial Government and with the approval of the State Council, a Hubei provincial economic investigation delegation headed by Hubei Governor Guo Shuyan left Beijing for Canada today.

During the delegation's stay in British Columbia, Governor Guo Shuyan will officiate at a ceremony marking the opening of a Hubei Export Commodity Fair to be held in Vancouver City. Moreover, Governor Guo Shuyan is also scheduled to have extensive contacts with officials of the British Columbia Provincial Government as well as personalities from some companies and enterprises concerned with an eye on looking for opportunities to further exchanges and cooperation between Hubei Province and British Columbia Province in a variety of fields.

During its stay in Quebec Province, the Hubei Provincial Economic Investigation Delegation is expected to make a fresh attempt to consolidate the fruitful cooperation between Hubei and Quebec in building hydropower stations and look for opportunities to further bilateral cooperation in various fields, such as environmental protection, post and telecommunications, paper making, finance, trade, and culture.

Southwest Region

Guizhou Promulgates Environmental Regulations

HK2605074892 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 16 May 92

[Text] Yesterday afternoon, the provincial people's congress financial and economic affairs committee, the provincial people's government legal affairs office, and the provincial environmental protection bureau held a joint news briefing in Guiyang to promulgate and expound on the Guizhou Provincial Environmental Protection Regulations. [passage indistinct]

Zhou Yansong, provincial people's congress Standing Committee vice chairman, and provincial Vice Governor Liu Yulin spoke at the news briefing. Both expressed the hope that the people's governments and all departments concerned at all levels across the province will actively carry out activities to study and publicize the aforementioned regulations with an eye to making them known to each and every household. The two leaders also called on the people's governments at all levels to strengthen leadership over environmental protection work and make it easier for environmental protection departments to perform their duties in accordance with the law. Moreover, they added, the people's congresses at all levels should also step up legal supervision over environmental protection work and see to it that the aforementioned regulations are implemented to the letter in a comprehensive way. [words indistinct]

Chongqing Residents' Spending Patterns Surveyed

OW2505093292 Beijing XINHUA in English 0842 GMT 25 May 92

[Text] Beijing, May 25 (XINHUA)—Residents of Chongqing, one of China's most populous city, are showing an increasing interest in spending money on fashionable clothes, cosmetics, household decorations, video and audio tapes and stocks and shares, according to the Beijing-based "CAPITAL ECONOMIC INFORMATION NEWS."

A recent sample survey conducted among the 30,000 residents of the city, located in southwestern China's Sichuan Province, shows that in 1991 an average of 228.73 yuan was spent on fashionable clothes per resident, about 19.2 percent more than in the previous year.

The survey also shows that all types of cosmetics, from cheap materials sold by street vendors or expensive imported makeup sold in department stores, sell well in Chongqing.

According to the survey, a home decoration spree has emerged in the city. Sales of carpets, shutters, various types of lamps and artistic handicrafts have continued to grow. It shows that an average of 14.27 yuan was spent on home decoration materials per household in 1991, an increase of 69.5 percent over the figure for the previous year.

In addition, video-recorders, electronic keyboards, cassette-recorders and electronic games as well as various kinds of sporting goods have become new objects of acquisition for Chongqing residents, according to the survey.

The survey also shows that many Chongqing residents with savings have begun to turn to the stock market; the average possession of bonds, stocks and securities per household has reached 35.81 yuan, a 29.2 percent increase over the previous year.

Tibet Police Corps Ends Class on Deng's Remarks*OW2505014092 Lhasa Tibet Television Network
in Mandarin 1200 GMT 22 May 92*

[From the "Tibet News" program]

[Text] The first party history study class of battalion and regiment cadres of the Tibet Armed Police Corps concluded in Lhasa on 20 May. The class was primarily held to study Comrade Deng Xiaoping's remarks and the guidelines of central directives.

Armed Police Corps leaders and responsible persons from relevant local departments attended the commencement ceremonies and extended warm congratulations on the outstanding achievements scored by the students. These leaders and responsible persons included Danzim, deputy secretary of the autonomous regional party committee; (Jia Co), deputy director of the autonomous regional party committee's propaganda department; and Zhang Zhu, political commissar of the regional Armed Police Corps. [video shows medium closeups of Danzim and other individuals]

Deputy Secretary Danzim spoke highly and was full of praise for the achievements and tremendous contributions made by armed policemen throughout the region. He focused on expounding the important significance of Comrade Xiaoping's remarks and related his experiences in studying Xiaoping's remarks. He said: In carrying out reform and opening up to the outside world, we should draw on all achievements of civilization as well as advanced experience and technology in human society, including those of capitalist countries. Economic development is the central task in building and enriching socialism. All other endeavors should be subordinate to and placed in the service of this central task.

Northeast Region**Sun Weiben Attends People's Congress Meeting***SK2705023092 Harbin HEILONGJIANG RIBAO
in Chinese 29 Apr 92 p 1*

[By reporter Ma Wenyuan (7456 2429 0337): "The 26th Standing Committee Meeting of the Seventh Heilongjiang Provincial People's Congress Ends"]

[Text] The 26th Standing Committee meeting of the seventh provincial people's congress satisfactorily ended on 28 April.

He Shoulun, vice chairman of the Standing Committee of the provincial people's congress, chaired the plenary session that was held on the afternoon of 28 April.

The meeting approved the revised draft of the "provincial regulation on management of crop seeds," the decision on "the Qiqihar City detailed regulations on relocation for urban construction," the decision on "the Qiqihar City detailed regulation on the management of

fisheries," "the provincial decision on the schedule for electing deputies to the Standing Committee of the Heilongjiang Provincial People's Congress and the deputies to the cities with districts," "the program for electing the provincial deputies to the Eighth National People's Congress [NPC] and the deputies to the provincial people's congress and the people's congresses of the cities with districts," "the decision of the Standing Committee of the provincial people's congress on readjusting the members of the provincial electoral committee and the leading members of the office of the provincial electoral committee," "the decision of the provincial people's congress Standing Committee on studying, propagating, and implementing the law governing the deputies to the NPC and the local people's congresses at various levels," and the namelist of cadres appointed and removed.

Sun Weiben, chairman of the Standing Committee of the provincial people's congress, made a speech at the meeting. In his speech, he first emphasized the necessity of further studying and implementing the guidelines of the important speeches made by Comrade Deng Xiaoping during his inspection in southern China. He said that the central ideology of Comrade Xiaoping's speeches is that we must unwaveringly and comprehensively implement the party's basic line of "one center and two basic points," further emancipate the mind, seek truth from fact, daringly make explorations, wage an arduous struggle, grasp favorable opportunities, eliminate various kinds of obstacles, speed up the pace of reform and opening up, concentrate energy on promoting economic construction, persistently attend to economic construction with one hand and the struggle against economic criminals with the other, and continue to successfully promote the undertaking of socialism with Chinese characteristics. We should unite our thinking with the guidelines of Comrade Xiaoping's important speeches and guide our practical work with these guidelines. Members of the Standing Committee of the provincial people's congress should take the lead in studying the guidelines and emancipating the mind. We should guide our work with the guidelines of Comrade Xiaoping's speeches and the guidelines of the enlarged meeting of the CPC Central Committee Political Bureau, further emancipate the mind, be braver, further speed up the pace of opening up, make good and full use of the functions and rights entrusted by law, comprehensively implement the basic line of the party, conscientiously exercise functions and rights closely in line with economic construction, and promote the deep development of reform and opening up. We should mobilize all people of the province to engage in reform with one heart, accelerate the pace of economic construction, and fight for realizing the second-step strategic goal.

Sun Weiben stressed the necessity of strengthening the supervision over the enforcement of laws. He said: At the meeting, Standing Committee members heard and discussed the provincial government's report on implementing "the enterprise law" and promoting the reform

of large and medium-sized enterprises. The Standing Committee members convened group meetings to set forth many good opinions and suggestions on further implementing "the enterprise law" and enlivening large and medium-sized enterprises. These opinions and suggestions are of important reference value in further implementing the enterprise law, promoting enterprise reform, and enhancing the vitality of enterprises. They asked the provincial government and relevant departments to adopt these opinions and suggestions through conscientious study. We have done a lot of work in implementing the enterprise law and improving state large and medium-sized enterprises. However, viewing the general situation, we know that the rights entrusted to enterprises by law have not been properly respected and guaranteed. Enterprises fail to transform their internal operational mechanism or to fundamentally solve the problem of lack of vitality and registering lower economic results. Some enterprises still fail to balance the relationship among party committees, administrative offices, and trade unions. We should further upgrade our understanding about the importance and urgency of implementing the enterprise law. Implementing "the enterprise law" is a great matter relating to deepening the enterprise reform and transforming the enterprise operational mechanism. Leaders at various levels should conscientiously study and consciously safeguard "the enterprise law" and take the lead in implementing the law. In the second five-year campaign of popularizing the general knowledge of laws, the people's governments at various levels should focus on disseminating and studying "the enterprise law"; annually fix a period of time to conduct propaganda; and form a fine social environment for studying, disseminating, and implementing the law. Simultaneously, the people's congress Standing Committee should attach equal importance to the formulation of laws and supervision of the enforcement of laws and promote the enforcement of laws and regulations through supervision.

Sun Weiben urged us to realistically attend to the election of the next people's congresses. He said: The NPC, the provincial people's congress, and the people's congresses of the cities with districts will complete their term of service at the end of this year or at the beginning of the next year. Thus, attending to the election of the next people's congresses is a heavy task of the people's congress standing committees this year. We should solemnly and conscientiously attend to the election of the provincial deputies to the Eighth NPC and the election of the deputies to the next provincial people's congress and the people's congresses of the city with districts.

Present at the meeting were some vice chairmen of the Standing Committee of the provincial people's congress, including Wang Jun, Zhang Ruoxian, Wang Yusheng, An Zhendong, Qi Guiyuan, Ji Hua, Zhao Qingjing, Du Dianwu, and Qu Shaowen.

Zhou Tienong, vice governor of the provincial government, and Jiang Chengwen, chief procurator of the provincial people's procuratorate, attended the meeting as observers.

Heilongjiang Prefecture Accelerates Opening

OW2305024992 Beijing XINHUA in English
0237 GMT 23 May 92

[Text] Harbin, May 23 (XINHUA)—Da Hinggan Ling Prefecture, a mountainous area in northeast China's Heilongjiang Province, has worked out concrete measures to step up its opening to the outside world and its development of border trade.

The prefecture has a total of 792 km of border with Russia. It has established trade ties with 59 Russian firms and the border trade volume of the prefecture was 632,000 Swiss francs-worth last year.

Since the beginning of this year the prefecture has allocated two million yuan (about 360,000 U.S. dollars) for the construction of the Xingan trade outlet.

It plans to construct border economic co-operation zones in its Mohe, Tahe and Huma Counties to develop export-oriented enterprises. Preferential policies have been announced for the development of the zones on taxation and land use.

It has also been decided to set up border trade markets and a Sino-Russian trade street in the three counties, and encourage its enterprises to open outlets and businesses in Russia.

The prefecture has begun co-operation with the Russian side on port and highway construction, and with a Hong Kong firm in the timber industry.

He Zhukang Addresses Enterprise Reform Forum

SK2705043892 Changchun JILIN RIBAO in Chinese
29 Apr 92 p 1

[By reporter Guo Yuxue (6753 3768 1331): "The Provincial Party Committee Holds a Forum on Deepening Enterprise Reform"]

[Excerpts] On 25 April, the provincial party committee sponsored a forum of responsible comrades from provincial level departments concerned to discuss the issue of how to deeply study the spirit of Comrade Deng Xiaoping's speeches and how to deepen enterprise reform in the province.

Comrade He Zhukang presided over the forum and delivered a report in which he informed the participating comrades of his investigation and study tour made not long ago among grass-roots level units. From 17 to 22 April, Comrade He Zhukang, accompanied by the responsible comrades from the provincial planning and economic commission, the provincial system reform

commission, and the provincial labor affairs department, went to the cities of Liaoyuan and Siping to carry out investigation and study over the issues of shifting the enterprise mechanism and deepening enterprise reform, and to pay a visit to the industrial and commercial enterprises of various categories, including those that are run by the state and collectives or run under joint ventures and the stock share system. He has obtained abundant and first-hand materials by making extensive contacts with cadres, staff members, workers, and the masses at all levels. In his report delivered at the forum, Comrade He Zhukang also analyzed from the high plane of theories and policies the new situation and problems cropping up in deepening enterprise reform, and warmly praised and fully acknowledged the new experience, exploration, and creation made by various localities and units. He said that wherever they went, they experienced the pressing demand raised by the grass-roots level units and the broad masses of staff members and workers for deepening enterprise reform and that these units and masses had a vast reservoir of enthusiasm and a creative spirit for reforms. The reform activities are things undertaken by the masses and reforms often experience a breakthrough at the grass-roots level. Problems that are deemed very difficult at first can be readily solved once the masses understand them and are mobilized. The key to dealing with these problems lies in the concept of leadership and on the issue of emancipating minds. At present, staff members and workers are watching their leadership in this regard; grass-roots level units are watching their government; and regions are watching their departments. Therefore, the leading comrades of provincial level departments should fully discern the motive force that is cropping up in reform; be brave to transcend their personal point of view; actively conform to the situation; have the situation well in hand by taking the stand of higher authorities; and conduct their work more actively and extensively. This means conceptualizing the situation as a whole. If they view and handle the issues from the aspect and interest of their department, they will run counter to the prevailing trend. Comrade He Zhukang demanded in his report that we regard the reform as our duty, make concerted efforts to grasp reform, actively engage in reform, go ahead in reform enthusiastically, promote reform, and have our province make a new leap forward in reform and economic construction.

During the forum, the participating comrades, by bearing in their own minds the reality of their department, held earnest and enthusiastic discussion in line with the issues put forward by Comrade He Zhukang. They also sorted out the following extensively common understandings on the important issues of how to discern the current situation, how to further emancipate minds, how to grasp the emphasis of deepening reform, and how to deal well with the relationship between mechanism shifting and enterprise development:

1. We should clearly discern the situation, seize the opportunity, and go ahead by following the trend. [passage omitted]

2. We should continuously emancipate our minds and actively push reforms forward. [passage omitted]

3. We should continuously deepen reform by putting an emphasis on the "tasks" of shifting the enterprise mechanism and changing the governmental function. [passage omitted]

4. We should gain a foothold in enterprise development and increasing economic results. [passage omitted]

Attending the forum were leading comrades, including Gu Changchun, Xiao Chun, Wu Yixia, Li Deming, Chen Zhenkang, Zhang Tienan, Shang Zhenling, and Hu Houjun.

Jilin Sets Up Overseas Exchange Association

SK2605091792 Changchun JILIN RIBAO in Chinese
1 May 92 p 1

[By reporter Xie Hongfa (6200 3163 4099): "Provincial Overseas Exchange Association Established"]

[Text] The overseas exchange association of Jilin Province was established in the city of Changchun on 30 April. Cui Lin, Liu Xilin, and Gao Wen were elected honorary presidents; in addition, Sun Yaoting was elected president of the association at the inaugural meeting. Comrade Gu Changchun attended the inaugural meeting to extend congratulations on the inauguration and Comrade Gao Wen addressed the meeting.

Along with the steady deepening of reform and opening up, Jilin Province needs to further enter the world society, and the world needs to know more about the province. Thus, the provincial overseas exchange association, a mass organization involved in foreign affairs, has emerged as the times require and in conformity with the demand of developing non-governmental exchanges. The inauguration of the association has paved a new channel for the province's undertakings in overseas exchange and added a window for the world to learn about the province. The inauguration of the association will help the province to carry out overseas cooperation and exchanges and to steadily develop the undertakings of economic construction, reform, and opening up.

Jilin Issues Regulations on Vehicle Inspections

SK2605065792 Changchun Jilin People's Radio
Network in Mandarin 1030 GMT 24 May 92

[Text] In order to enable outstanding personnel in charge of enforcing the law to exercise their power in line with the law and to have the supervisory departments receive the masses' supervision, the provincial people's government recently formulated clear provisions on checking vehicles along highways and imposing punishment in cases involving violation of the provisions.

The provisions govern the following eight aspects:

1. Except for the inspection personnel of public security departments, those who are in charge of inspection work and belong to other departments are not allowed to conduct inspection along the state- and province-run highways. The inspection personnel of public security departments may conduct inspection of vehicle safety at checking stations. Outside the checking stations, they are only allowed to intercept vehicles that have violated traffic regulations and to correct the cases of violation of regulations and are not allowed to intercept vehicles that are passing through normally or to inspect vehicle safety. The mobile inspection teams of communication departments are only allowed to conduct traffic patrol along the highways at county and township levels and are not allowed to intercept vehicles to conduct inspection along the state- and province-run highways. In conducting mobile inspection, the number of inspection personnel in the traffic patrol teams should not be less than three.

2. The inspection personnel of various departments are only allowed to perform their specific duties in operations and are not allowed to exercise duties not related to the business of their department. However, they can carry out inspections entrusted by other departments with the approval of the provincial people's government.

3. In performing inspection duties, the number of inspection personnel dispatched by various departments to the joint inspection stations should not surpass two. However, the operation of intercepting fugitives and conducting night inspection is exceptional.

4. Checking stations that are in charge of one-direction inspection, in line with the regulations issued by the provincial people's government, must conduct their inspection according to regulations and are not allowed to conduct double-direction inspection. In performing their inspection duties, other inspection stations are also not generally allowed to intercept double-direction vehicles and to carry out inspection simultaneously. In case of special situations in which the double-direction inspection is necessary, these stations must ensure the normal passage of vehicles along the highway.

5. In correcting the violation caused by vehicles, inspection personnel dispatched by the central inspection departments should not take away the car and the driver's license or impose fines on general cases of violating traffic regulations except for cases of serious traffic violations, which should be handled in line with the law. Vehicles that are owned by foreigners or personnel from places outside the province, who come to the province to handle their business and have violated regulations, should be handled in a lenient manner. These stations should actively provide them with car repair services, advice, and directions.

6. Except for timber, the transportation of semi-finished wood products, wood products covered by state regulations, animals listed in the state second-category protection law, tree seeds covered by provincial regulations, precious metal, and tobacco should be carried out with

certificates; the transportation of forest plants, forest products, tree seeds covered by the state and provincial quarantine regulations, and animals and animal by-products should be checked by the quarantine stations; other departments of materials transportation and management are absolutely not allowed to interfere in this transportation. Various inspection stations are not allowed to intercept the transportation under any pretext or to impose fines and confiscate the goods.

7. Various departments are absolutely not allowed to assign the tasks of imposing fines and confiscating goods to inspection stations and personnel. Money accumulated from fines and through confiscation should be handed over to the financial department. By no means should these stations surpass the limit in charging fines and in expenses.

8. Those who have violated the aforementioned provisions should be strictly dealt with. The Central Discipline Inspection Commission and the personnel concerned have the right to refuse the examination of cases that have violated the aforementioned provisions.

Quan Shuren Inspects Economic Work in Jinxi City

SK2605062392 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 24 May 92

[Text] From 19 to 21 May, Quan Shuren, secretary of the provincial party committee, and his entourage of three made an economical inspection tour of Jinxi city and its five large industrial plants, including the city's chemical industrial general plant and [words indistinct] plant. During their inspection tour, they looked into the implementation of Deng Xiaoping's speech and put forward many suggestions and opinions on the issue of how to deeply implement the spirit of Deng Xiaoping's speeches, how to accelerate the pace of reform and opening up, and how to conduct enterprise reform and reform of local organs.

During his inspection tours, Quan Shuren stated that in implementing the spirit of Deng Xiaoping's speeches, we should steadily deepen implementation and engage in practice in line with the spirit. At present, we must emancipate our minds, becoming bold in doing things, taking steps in a down-to-earth manner, and conducting our work with meticulous care. In emancipating our minds, we should actively do away with the concept of opposing the commodity economy and of isolation and foster the concepts of the commodity economy and of (?economic information). In becoming bold in doing things, we should be bold in trying reform, to build socialism with Chinese characteristics under the condition of having no typical experience, and to boldly mend what we have done incorrectly. In taking steps in a down-to-earth manner, we should refrain from giving only vague and general directions, but make progress in a down-to-earth manner. In conducting work with meticulous care, we should conduct reform and opening up by proceeding from the reality, closely follow the actual situation, and stress effects and economic results. In

citing reform among the out-dated enterprises, Quan Shuren stated that this is a prominent problem encountered by Liaoning Province. At present, we should seize the current excellent opportunity because the state has issued the policy in this regard, actively and successfully utilize foreign funds to conduct reform among the out-dated enterprises, and initiate a high level of reform so as to totally eliminate their backward outlook. In citing the issue of how to accelerate the pace of reform and opening up, he stated that Liaoning Province should first conduct its products sales among foreign markets and actively introduce foreign funds, talented personnel, technologies, advanced managerial methods, and [words indistinct], and should not forget to sell its products on domestic markets.

Liaoning Achievements in Reducing Economic Losses

OW2605091992 Beijing XINHUA in English
0742 GMT 26 May 92

[Text] Shenyang, May 26 (XINHUA)—In the first four months of this year, Northeast China's Liaoning Province has made remarkable achievements in reducing economic losses and making up deficits.

During the January-April period, both the number of loss-making enterprises and the amount of economic losses were reduced by 14 percent compared with the same period of last year.

Meanwhile, profits made and taxes paid by industrial enterprises showed 37.5 percent increases over the corresponding period of 1991.

Liaoning, an old heavy industry base of the country, is also the largest loss-making province in China. To improve the situation and speed up economic reform, the provincial government has adopted a series of measures to reduce economic losses.

As a result, nine of the ten major industrial departments in the province are now reversing the adverse situation. Among them, the machine-building, building materials, metallurgical and agricultural machinery sectors reduced economic losses by 80 million yuan.

Liaoning Measures Promote Science, Technology

OW2305022892 Beijing XINHUA in English
0220 GMT 23 May 92

[Text] Shenyang, May 23 (XINHUA)—Northeast China's Liaoning Province recently issued 30 new policies to further promote the development of science and technology in a bid to revive its economy.

The new policies are designed to deepen the reform of research management system, develop new- and high-technology, and enhance the social status of intellectuals.

Most of the major industries in the province, one of the heavy industrial bases of the country, were built in the First Five-Year Plan period (1953-1957). In recent years

the enterprises have suffered from the aging of industrial facilities and the backwardness of technologies.

According to the new policies, people who have studied abroad or Overseas Chinese with professional skills and technology will enjoy preferential treatment when they return or come to work in the province. Besides, they are free to stay or to go abroad again.

The provincial government has earmarked special funds to reward those who make special contributions to the promotion of the province's science and technology.

Research bodies will be granted more decision-making power in their internal affairs such as personnel administration, bonus distribution and stocks issuance. Stocks of intellectual property rights will be allowed to be issued.

The new- and high-technology development zones will be allowed to lease land-use rights. In addition, research units in the zone are allowed to issue bonds and stocks.

From now on, all the enterprises in the province have to set aside 0.5-two percent of their sales volume to establish their own special funds for the development of science and technology as well as new products.

Under the new policies, technical personnel and researchers are also encouraged to make money by providing technical consultation or contract technological development projects in spare time.

Liaoning Moves To Encourage Foreign Business

SK2605062292 Shenyang Liaoning People's Radio
Network in Mandarin 1030 GMT 25 May 92

[Text] Our province has accelerated opening to the outside world and has attained a gratifying position in building development zones. The Dalian economic and technical development zone has begun preparations on a 10-square-km piece of land for attracting foreign investment from the United States, Japan, the Republic of Korea, and Hong Kong. They hope to open 80 industrial, commercial, trade, and storage enterprises. In the near future, construction of an industrial complex will begin on 2.17 square km of land that has been leased by the Dalian development zone to five large financial groups of Japan. The Yingkou city designed-project of building a model development zone on 0.5 square-km piece of land near Bayuchuan harbor has been implemented. Construction has also begun on a new development zone in the city comprising 5.3 square km. The Zhangshi development zone in Shenyang city has signed agreements on 73 technological projects involving 2.59 billion yuan and will lease 6,600 square meters of land to foreign business firms for development. The three model development zones in the province have formally approved 552 foreign and domestic enterprises. These enterprises are ready to provide funds and technologies for these zones. They are also ready to establish economic and technical relations with them. The total

investment volume of these enterprises has reached \$2.1 billion. Some cities in the province have carried out necessary readjustment among key projects and targets set in the Eighth Five-Year Plan. Nine cities across the province are now actively open development experimental zones, zones for processing export commodities, and industrial zones.

Dalian Zone Seeking More Foreign Tourists

*OW2705100092 Beijing XINHUA in English
0801 GMT 27 May 92*

[Text] Dalian, May 27 (XINHUA)—In order to receive more foreign tourists, the Dalian Development Zone in Northeast China's Liaoning Province is paying more attention to the development of tourist and commercial facilities.

Already, a large-sized recreation center covering 12,000 sq m and commercial centers covering a total area of 1.5 million sq m have been set up in the zone, according to Zhou Haifei, deputy director of the management committee of the zone.

The second phase of the commercial center will be finished in October this year.

According to statistics, the zone has attracted more than 320 foreign-funded enterprises involving a total investment of 1.5 billion U.S. dollars in the past seven years, Zhou said.

He said that the zone also plans to build a science and technology town, petroleum and chemical base, a bonded area and more tourist spots.

Tang Shubei on Work of Cross-Strait Ties Body

HK2605121492 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 20, 18 May 92 pp 3-4

[Report by Yang Yuanhu (2799 6678 5706) and Li Dahong (2621 1129 1347): "Tang Shubei on Work of Association for Relations Across Strait in Last Five Months Since Its Founding"]

[Text] The Association for Relations Across the Strait [ARAS] was founded five months ago. In this period, what did the nongovernmental institution do in promoting cross-strait exchanges, developing cross-strait relations, and striving for the motherland's peaceful reunification? What is the focus of its work in the near future? With these questions in which our readers have an interest, LIAOWANG reporters recently interviewed Tang Shubei, permanent deputy chairman of the ARAS.

Gradually Establishing and Expanding Relations With Various Circles in Taiwan

Not long ago, Tang Shubei accompanied ARAS Chairman Wang Daohan in inspecting some Taiwan-funded enterprises in Hainan and Guangdong. In the interview with LIAOWANG, he said happily that since its founding, the ARAS has done a range of work to promote exchanges between the two sides of the strait, and in particular has been gradually expanding its relations and exchanges with the people in all walks of life in Taiwan.

He said: Since its founding, the ARAS has successively received more than 100 Taiwan visitors from various circles. I myself have to receive two or three groups of Taiwan visitors every week. An increasing number of Taiwan organizations and institutions have established relations with us. For example, the Taiwan Industrial and Commercial Association for Promoting Reunification, which was founded not long ago, the Taiwan Industry Development Foundation, the Cross-Strait Development Foundation, some academic institutions and some antiseparatist organizations in Taiwan have had contacts with us and exchanged opinions with us on relevant issues. We are continuously expanding our connections and exchanges with people in the economic, academic, cultural, and political circles of Taiwan. At the same time, we have established rather normal communication channels with Taiwan's Straits Exchange Foundation. In addition to face-to-face talks, the two institutions also frequently exchange letters and telephone calls. Such contacts play a positive role in promoting communications between the two sides, clarifying questions and doubts, and increasing consensus between the two sides.

He said: Not long ago, Taiwan's Straits Exchange Foundation sent a tourism inspection group to the mainland. It also plans to dispatch another delegation to inspect the investment environment on the mainland. We have joined hands with the departments concerned in making conscientious preparations and arrangements for their

visits. We also plan to invite some famous people, scholars, and entrepreneurs in Taiwan to visit the mainland; and we are organizing a forum on cross-strait relations, to which more friends living in Taiwan and overseas will be invited to discuss how to promote the development of cross-strait relations and to contribute their wisdom to the great cause of national reunification. We also ardently look forward to going to Taiwan to see our old and new friends and conduct exchange activities there without disturbance and without loss of dignity.

Tang Shubei said: Since its foundation, the ARAS has also been successively interviewed by more than 100 Taiwan reporters. Our friends in the Taiwan mass media have a high interest in the work of the ARAS, and many of them wish to interview us and thus gain a better understanding of the issues in which they are interested through us. As long as the arrangements are made according to the established procedures, we shall try our best to provide services for them and satisfy their needs.

Looking Forward to Further Progress in the Working Talks With the Straits Exchange Foundation

Tang Shubei stressed: Taiwan's Straits Exchange Foundation is our main cooperation counterpart, and we hope that our working talks will make further progress through the common efforts of both sides.

He said: In late March, the ARAS, together with the Notaries Public Association and the Communications Society, held talks with a delegation headed by Hsu Hui-you, director of the Legal Service Section of the Straits Exchange Foundation, on the use of notarization documents between the two sides and the inquiry and compensation procedures for registered postal items between the two sides of the strait. In order to reach an early agreement, our side made conscientious preparations and successively put forth four options for the use of notarization documents. We also continued putting forward some feasible proposals with a pragmatic attitude in the course of the talks. Through the talks, the two sides reached consensus on many points and found the way to solve the issue. The talks achieved rather satisfactory results, but certain differences remained unsolved.

Tang Shubei held that if both sides had a sincere and realistic attitude, it would not be difficult to solve the differences. The first question is whether the principle of "one China" should be written into the agreement. Why was the issue of "one China" involved in talks about concrete affairs? In the same country, there should be no need to conclude any special agreement to solve issues concerning the use of legal documents or inquiries and compensation regarding registered postal items. However, some special measures cannot but be adopted and some special arrangements cannot but be made for these affairs because the two sides of the strait have not been reunified yet in reality. So, it is necessary to make it clear in the agreement that this is not an affair between two countries, but a special measure adopted inside a single

country against the current background. Therefore, stressing the principle of "one China" is an objective and realistic need.

Second, we think that the concept of "one China" should be acceptable to both sides, and will not bring any difficulty to the Taiwan side. Recently, a responsible person in relevant quarters in Taiwan indicated that Taiwan "did not deliberately evade the issue of 'one China,' and that the concept of 'one China' is upheld by both sides and is the consensus of both sides." We strongly agree with this opinion. The concept of "one China" is the "junction point" of the two sides of the strait. We have not yet discussed the connotation of "one China" with the Straits Exchange Foundation, and have no intention of discussing the issue of Taiwan's "status." I think that the settlement of these questions is beyond the capacity of the ARAS and the Straits Exchange Foundation.

Third, the question of how to express the concept of "one China" is open to discussion. I believe that through discussion between both sides, we shall finally find a resolution acceptable to both sides.

Tang Shubei said: Reportedly, the Straits Exchange Foundation has conveyed our position on the above-mentioned three points to the Taiwan authorities concerned, and we are now waiting for their explicit attitude. With the settlement of these issues, we can continue to discuss a series of issues in the agreement, including the use of documents, the inquiry and compensation procedures for registered postal items, cooperation in cracking down on maritime smuggling and robbery in the Taiwan Strait, maritime disputes between the two sides, and the handling of Chinese citizens entering the other side's area in violation of the other side's rules. The settlement of these issues will play a positive role in guaranteeing the immediate and vital interests of the compatriots on both sides and promoting the development of cross-strait relations.

Playing a Role in Promoting the Development of Economic and Trade Cooperation Between the Two Sides

Tang Shubei pointed out: Cross-strait economic and trade cooperation is an extremely important part of cross-strait relations. Economic cooperation between the two sides will contribute to the stability, consolidation, and development of cross-strait relations. As a nongovernmental institution, the ARAS is willing to strengthen the ties with Taiwan businessmen with investment in the mainland and to do whatever we can to protect their legitimate rights and interests.

Tang Shubei said: Not long ago, ARAS Chairman Wang Daohan and I went to see some Taiwan-funded enterprises in Hainan and Guangdong, and held forums and private talks with some Taiwan businessmen. The Taiwan businessmen expressed a common demand, that is, they all hoped that direct shipping and air service links between Taiwan and the mainland would be realized at an early date, even if there remained a stopover in

a third place. I think for the mainland's part there is no difficulty regarding direct shipping and air links between Taiwan and Hainan or between Taiwan and Fujian. We shall give positive support to this.

In the course of the inspection, we visited some Taiwan investment development zones and saw many development projects carried out by Taiwan investors on whole stretches of land. Their confidence in making investment and doing business on the mainland has been increasing. From this, we saw the broad prospects for economic cooperation between Taiwan and the mainland. Many Taiwan businessmen also expressed their opinions and proposals. For example, they pointed out that the work efficiency of some departments and localities on the mainland is still too low; that the prices of raw materials on the mainland are not unified; and that there are still some problems with the labor insurance arrangements for workers in joint ventures. We have paid attention to all these issues. These problems all need to be urgently settled in the course of further expanding the scale of opening and deepening reform on the mainland, and the opinions and proposals expressed by Taiwan businessmen will help the settlement of these problems.

As for the issue of the "Large Chinese Economic Circle," Tang Shubei said: At present, some people in Taiwan are keen to discuss the concept of setting up a "Large Chinese Economic Circle." We do not use this term, but we think that the issue of how to strengthen economic cooperation between the mainland, Taiwan, and the Hong Kong and Macao region is undoubtedly worth discussing. In addition, Taiwan industrialists and businessmen are always concerned about the issue of labor service cooperation between the two sides. This is an affair of direct significance for both sides' economic development, and we are willing to promote the arrangements in this regard. As far as the signing of an investment protection agreement between the two sides is concerned, my personal opinion is that the signing of an investment protection document is, in general, something done between two countries. In consideration of the present conditions on the two sides of the strait, I think that this can be taken as a special issue in cross-strait economic relations, and can be discussed on the basis of the "one China" principle. We welcome Taiwan businessmen to make investment in the mainland, and will protect their legitimate rights and interests. If a protection document is to be signed, then Taiwan businessmen's investment must be direct investment, and investment protection should also be two-way. That is, we shall protect Taiwan businessmen's investment, and Taiwan should also protect the mainland's investment. So Taiwan should open its investment market to the mainland.

Tang Shubei finally indicated that in the last five months, the work of the ARAS has made a good start with the support of friends at home and abroad. The ARAS will further expand connections and cooperation with organizations and people at home and abroad with a pragmatic and pioneering spirit, and work in a down-to-earth manner, thus playing a greater and greater role

in increasing cross-strait exchanges and developing cross-strait relations.

Customs Exemption Goes Into Effect for Taiwanese

*OW2405015692 Beijing Central Television Program
One Network in Mandarin 1100 GMT 22 May 92*

[Announcer-read report from the "National News Hookup" program]

[Text] The General Administration of Customs recently announced that, effective today, Taiwan residents entering or leaving mainland China on passes issued to them specifically for this purpose will be exempt from filing customs declarations for passengers' baggage and articles when attending to entry and exit formalities. The exemption is aimed at facilitating the visits of Taiwan residents to Mainland China and at streamlining customs procedures.

Editorial on Nuclear Test's Ramifications

OW2305145892 Taipei CNA in English 1356 GMT
23 May 92

[Editorial from 23 May edition of EXPRESS NEWS, and evening daily published by CNA: "Peking's [Beijing] Nuclear Test"]

[Text] Taipei, May 23 (CNA)—Red China conducted a very large underground nuclear test on Thursday with a yield in the 1-megaton range. The United States has expressed concern about the size of the test, and has asked Peking to adhere to the same limits to the size of future tests as the United States and Russia have agreed to under the threshold test ban treaty. In our opinion, however, it is not only the size of the test, but rather the test itself, that should be a matter of grave concern.

The Chinese communist test took place at a time when the issue of denuclearization is very much at the center of world attention. The United States, having agreed with the former Soviet Union to reduce their strategic nuclear arsenals, is anxious to see that the various republics of the former Soviet Union live up to the commitment. It is also trying to convince the republics not to contribute to nuclear proliferation by selling, or otherwise transferring, the nuclear weapons in their territories to other countries.

The Red Chinese test, however, would make the U.S. effort harder, as countries like India and Central Asian Republics are now reminded of Red China's nuclear arsenal and therefore would be tempted to develop or retain nuclear weapons for their own security consideration.

Whether it is Peking's intention to provoke nuclear development in its neighbors or not, the Red Chinese nuclear test also has other security implications, all having to do with the purpose of the underground explosion. With the end of the Cold War and the U.S.-Soviet confrontation, Peking has lost much of its strategic importance in world politics. As a result, it has lost leverage in its relations with Western countries, and has had to deal with constant Western pressure over Western-interested issues like human rights and weapons exports. By conducting the massive explosion, Peking obviously hopes to remind the world of its nuclear capabilities and thus its strategic importance.

Second, Red China has been increasing its defense spending in an apparent effort to modernize its military, and this week's nuclear explosion could be part of the modernization program. With the danger of war diminishing as a result of the end of the Cold War, there is really no legitimate need for Red China to build up its military, except to fill in a power vacuum in Asia that may be left by the United States.

In either of the two cases, the Red Chinese nuclear explosion does not bode well for peace and security in

Asia. This should be a matter of grave concern for all countries that have a stake in this region, not just the size of the explosion.

Nation Not To Sign Mainland Investment Pact

OW2505130192 Taipei China Broadcasting Corporation
News Network in Mandarin 2300 GMT 21 May 92

[From the "Hookup" program]

[Text] Recently people from all circles of life have been discussing the issue of a signing of a Mainland-Taiwan accord to protect investments. As early as one month ago the Mainland Affairs Committee had already invited people from various circles to discuss its feasibility. While the attendees commonly maintained that the accord is needed, it is logically infeasible.

Wang Tao-han [Wang Daohan], president of the Association for Relations Across the Taiwan Strait of the Chinese communist authorities, recently stated that the Chinese authorities intended to sign an investment protection accord with Taiwan; but he also expounded on some other terms, such as direct investment from Taiwan and reciprocity. The Mainland Affairs Committee and the Ministry of Economic Affairs have responded to the proposal accordingly.

It has been learned that one month ago the Mainland Affairs Committee assembled officials from the Investment Committee under the Ministry of Foreign Affairs, the International Trade Bureau, the Strait Exchange Foundation, as well as some lawyers to study this issue. While most of the attendees agreed that the accord may be necessary, it is logically infeasible. They said that it would be of little actual help to Taiwan businessmen. They proposed that the government study Taiwan businessmen's actual needs and then urge the Chinese communist authorities to revise their relevant laws and regulations, or provide Taiwan businessmen with other protective measures.

In connection with the proposal of signing a Mainland-Taiwan accord on investment protection, Chen Wen-yu [Chen Wenyu], deputy chief of the Taiwan Relations Department under the Chinese communist authorities' Ministry of Foreign Economic Relations and Trade, has expressed that the proposed accord for investment protection and protecting Taiwan investors' interests are two different things. He said that while the Chinese communist authorities would give Taiwan businessmen equal and preferential treatment in trade, they would not sign an investment protection accord with Taiwan owing to the one-China principle.

Authorities Intensify Supervision Over Returnees

OW2505130992 Taipei China Broadcasting Corporation
News Network in Mandarin 2300 GMT 21 May 92

[From the "Hookup" program]

[Text] Huang Kun-hui, chairman of the Mainland Affairs Committee, pointed out that, according to a document from the Ministry of Public Security of the Chinese communist authorities, the ministry has sent its personnel to work at local offices in charge of Taiwan affairs and in order to intensify its supervision over Taiwan countrymen visiting their hometowns on the mainland.

Huang said that this shows that the Chinese communist authorities have tightened their control over Taiwan countrymen visiting the mainland.

Addressing a regular session of the Executive Yuan on mainland affairs yesterday [21 May], Huang Kun-hui said that he recently learned from a Chinese communist document that the State Security Ministry under the Chinese communist State Council has issued an order, pointing out: Eighty percent of Taiwan countrymen visiting their relatives on the mainland have special missions to carry out, and these people make it a practice to use money to establish connections and buy information. Therefore, the Ministry of Security will send personnel to work at local offices in charge of Taiwan affairs as their regular staff members. Those Taiwan countrymen whose return is not in conformity with regulations should all be advised to return to Taiwan. If absolutely necessary, forceful measures should be used. Supervision over ordinary Taiwan countrymen visiting their families on the mainland should also be intensified.

Huang Kun-hui said: Because of this, the Chinese communist authorities have also instructed that Taiwan countrymen authorized to establish residence on the mainland will not receive any preferential treatment or assistance.

Huang Kun-hui said that the tightening of these measures fully shows that the Chinese communist authorities now maintain that their policy of encouraging Taiwan countrymen to visit the mainland no longer has any political objectives. This fact, Huang said, can help us observe the Chinese communists' policy of promoting Mainland-Taiwan economic relations and trade, encouraging Taiwan businessmen to invest on the mainland, and promoting scientific and technological cooperation between the mainland and Taiwan.

Government Permits Cross-Strait Student Exchanges

*OW2705060592 Taipei Voice of Free China
in English 0200 GMT 26 May 92*

[From the "News and Commentary" program]

[Text] The Mainland Affairs Council Monday passed a bill to permit exchanges between students from Taiwan and Mainland China to take part in academic debates, athletic competitions, and social services. The period of exchanges is set for two months, though it will be able to be extended to three months if permitted. The exchanges will consist primarily of groups, though individual graduate students will be permitted to apply as well.

Chairman of the Mainland Affairs Council Huang Kun-huei said that academic exchanges are a vital way of fostering improved relations and better understanding between the two sides of the Taiwan Strait.

Foundation To Replace Overseas Cooperation Fund

*OW2505130692 Taipei China Broadcasting Corporation
News Network in Mandarin 2300 GMT 21 May 92*

[From the "Hookup" program]

[Text] The Fund for Overseas Economic Cooperation and Development which the Republic of China (ROC) established a few years ago will soon be replaced.

It will be replaced by the Foundation for International Cooperation and Development initiated by the Ministry of Foreign Affairs. This foundation will collectively handle all foreign aid affairs, including foreign economic assistance programs, of the Republic of China.

The Fund for Overseas Economic Cooperation and Development was established in October 1988. Its main objective was to promote the ROC's economic cooperation and common economic development with friendly developing countries, and to promote the ROC's substantive relations with countries having no diplomatic relations with the ROC, taking advantage of the ROC's maturing economic growth.

Meanwhile, [words indistinct] to correct the previous situation where political affairs were not distinguished from economic operations, and economic assistance was used as political awards.

President Li Urges Faster Cultural Development

*OW2505103592 Taipei CNA in English 0816 GMT
25 May 92*

[Text] Taipei, May 25 (CNA)—President Li Teng-hui Sunday urged the nation to accelerate cultural development and to resurrect traditional Chinese morals and ethics in order to enrich spiritual life here.

President Li made his call during an inspection tour of several newly developed communities in southern Taiwan.

Li said Taiwan has made phenomenal progress in economic development over the past four decades. "Our cultural development has, however, failed to match our material affluence," the president lamented.

He noted that materialism has resulted in vanity and superficiality and has eroded moral standards here. "If the trend continues, I'm afraid many of our people will lead an aimless life," he added.

Li stressed the government has spent huge sums of money establishing cultural facilities around the island in recent years and has launched many grass-root cultural programs.

"I hope local people will fully support all these programs to broaden their vision and enrich their spiritual life," he said.

Li also urged local administrators to adopt a practical, down-to-earth work attitude in order to cut red tape, enhance administrative efficiency and boost community development.

In the company of government and Kuomintang officials, Li toured several newly built communities in Chiayi, Tainan and Yunlin counties yesterday to see for himself progress in various grass-root construction projects there.

Li said cultural development should start from grass-root levels. Community development is critical to the upgrading of spiritual life here and to the improvement of traditional customs, he added.

Malaysia Said No Longer Good for Investment

*OW2605084192 Taipei CNA in English 0735 GMT
26 May 92*

[Text] Taipei, May 26 (CNA)—Malaysia is no longer a good place for Taiwan businessmen to make investment, because its investment climate is getting worse, Vice Economic Affairs Minister P. K. Chiang said Monday.

Chiang, who officiated at a Kuala Lumpur meeting of Taiwan trade promoters in southeast Asia a few days ago, said Malaysia is suffering from labor shortages, high labor costs, and worsening social order.

Taiwan investors have become targets of extortion in Malaysia, he said, adding that the Malaysian Government has been hesitating in giving Taiwan investors right of residence and in signing an investment guarantee agreement with Taiwan.

The Malaysian Government no longer welcomes investment in labor-intensive industries, he pointed out.

The Ministry of Economic Affairs will no longer encourage domestic industries to make investment in Malaysia, he said.

Central Bank Detects Capital Flow to Mainland

*OW2705062492 Taipei Voice of Free China
in English 0200 GMT 26 May 92*

[From the "News and Commentary" program]

[Text] While the Central Bank of China has detected signs of swelling flows of capital to the China mainland, it appears unable to trace the exact amount of such capital movement due to largely loosened foreign exchange controls.

According to initial estimates, Taiwan's private sector posted a capital outflow amounting to \$2.2 billion from January to April, close to half the tally reported for the whole of 1991. However, against an expanding trade surplus, Taiwan's foreign exchange market retained a balanced demand and supply situation during the four-month period, the Central Bank noted.

Furthermore, while the Taiwan banking community registered marked rises in the extension of credit in March and April, the private sector's real investment rate has failed to pick up proportionately in the first quarter. A ranking central bank official raised the possibility that other than massive flows to the real estate industry, sizable amounts of funds could have been directed to the mainland.

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